FRONTLINE EMPLOYEE SERVICE QUALITY: ANTECEDENTS TO ENHANCE EMPLOYEE SERVICE QUALITY IN A SOUTH AFRICAN RETAIL BANK

by

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submitted in partial fulfilment of the requirements

for the degree of

MASTER OF COMMERCE

in the subject

BUSINESS MANAGEMENT

at the

UNIVERSITY OF SOUTH AFRICA

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April 2020

DECLARATION

I, Jonathan de Villiers (33811636), declare that “FRONTLINE EMPLOYEE SERVICE QUALITY: ANTECEDENTS TO ENHANCE EMPLOYEE SERVICE QUALITY IN A SOUTH AFRICAN RETAIL BANK” is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

_2020/04/30_

Jonathan de Villiers Date

ACKNOWLEDGEMENTS

There are several people and/or organisations who supported me to whom I wish to express my sincere gratitude.

In particular, I would like to thank the following:

- My study leader, Prof. M. Jansen van Rensburg, for her steadfast positivity, enthusiasm, inspiration, support, insight and direction.
- My employer, the University of South Africa, who afforded me both the opportunity to carry out this study and provided me with financial assistance, training, tools, and time toward this study.
- Dr Riaan Dirkse van Schalkwyk, who provided me with much guidance in the field of service quality, in particular, with regard to the use of SERVQUAL as a measuring instrument.
- The participating bank and those frontline employees that willingly participated in this study, without whom this study would not have been possible.
- My mother, Prof. Ruth de Villiers, for her unwavering support and advice relating to academic writing.
- Dr Deon Van Zyl, who played a pivotal role in assisting me with the statistics.
- Mrs Retha Burgher, for formatting and editing my dissertation, and additionally, for her encouragement and support.
- Friends and colleagues who reached out with understanding, motivation and moral support amidst numerous pressures.

DEDICATION

To my Lord and Saviour, for meeting my needs along this journey.

- Philippians 4:19 -

“And my God will meet all your needs according to His glorious riches in Christ Jesus.”

ABSTRACT

South African banks need to attract and retain customers in a highly competitive environment. Within this environment, the service quality of banks has been noted as an ongoing pressing issue. With all major banks embracing the technological revolution and offering similar financial services, the service quality offered through frontline employees has become a means to attain a competitive advantage. While a substantial body of research demonstrates the importance of service quality and identifies its dimensions, there is a lack of research specifically focusing on the antecedents for frontline employee service quality. This study set out to investigate the extent to which internal service quality, service climate and frontline employee satisfaction contribute to frontline employee service quality in a South African retail bank. With the aid of a structured questionnaire, a cross-sectional internet-based survey research design was applied to collect information from frontline employees pertaining to four constructs. From the full population of 8 720 frontline employees, 581 completed responses were received during the main study, and empirically tested with the aid of descriptive statistics, confirmatory factor analysis, correlation analysis and multivariate regression analysis. The findings culminate in a multivariate regression model indicating that service climate is not a significant predictor of frontline employee service quality, whereas frontline employee satisfaction and internal service quality are, with internal service quality being the larger predictor. Drawing from these findings, ten recommendations are made to improve frontline employee service quality in a retail bank.

Key words: Retail banking, Service quality, Frontline employee service quality, Internal service quality, Service climate, Employee satisfaction

OKUCATSHANGIWE

Amabhange aseNingizimu Afrika adinga ukuheha futhi agcine amakhasimende endaweni enokuncintisana okukhulu. Ngaphakathi kwalesi simo, insebenzo yekhwalithi yamabhange ibhekwe njengengqinamba eqhubekayo. Ngawo wonke amabhange amakhulu amukela inguquko kwezobuchwepheshe futhi ahlinzeka ngezinsizakalo ezifanayo zezezimali, insebenzo yekhwalithi enikezwa ngabasebenzi abaphambili iba yindlela yokuthola inzuzo yokuncintisana. Ngenkathi ucwaningo oluningi lukhombisa ukubaluleka kwensebenzo yekhwalithi futhi lukhomba ubukhulu balo, kukhona ukungabi bikho kocwaningo okugxile kakhulu ezichasisweni zensebenzo yekhwalithi yomsebenzi ophambili. Lolu cwaningo luhlose ukuphenya ukuthi izinga lensebenzo yekhwalithi yangaphakathi, insebenzo yesimo sezulu kanye nokwaneliseka kwabasebenzi abaphambili kunikela kangakanani ensebenzweni yekhwalithi yomsebenzi ebhange lokuthengisa eNingizimu Afrika. Ngosizo lwemibuzo ehleliwe, kusetshenziswe ukwakheka kocwaningo olususelwa ku-inthanethi lokuqoqa imininingwane evela kubasebenzi abaphambili maqondana nokwakhiwa okune. Kusuka enanini eligcwele labantu abayizi-8 720 labasebenzi abaphambili, izimpendulo ezigcwalisiwe ezingama-581 zamukelwa phakathi kocwaningo oluyinhloko, futhi zahlolwa ngamandla ngosizo lwezibalo ezichazayo, ukuhlaziywa kwezinto eziqinisekisayo, ukuhlaziywa kokuhlobana kanye nokuhlaziywa kokuphindaphinda okuningi. Okutholakele kugcina kube yisifanekiso sokuhlehliswa sokuphindaphinda esikhombisa ukuthi insebenzo yesimo sezulu akusona isibikezelo esibalulekile sensebenzo yekhwalithi yomsebenzi ophambili, kanti ukwaneliseka komsebenzi ophambili kanye nensebenzo yekhwalithi yangaphakathi, ngensebenzo yekhwalithi yangaphakathi eyisibikezelo esikhulu. Ngokususelwa kokutholakele, kwenziwa izincomo eziyishumi zokuthuthukisa insebenzo yekhwalithi yomsebenzi ophambili ebhange lokuthengisa.

Amagama asemqoka: Ibhange lokuthengisa, Insebenzo yekhwalithi, Insebenzo yekhwalithi yomsebenzi ophambili, Insebenzo yekhwalithi yangaphakathi, Insebenzo yesimo sezulu, Ukweneliseka komsebenzi

TSHOBOKANYO

Dibanka tsa Aforikaborwa di tlhoka go ngoka le go tswelela go tshola badirisi mo tikologong e e tletseng kgaisano. Mo tikologong eno, boleng jwa tirelo ya dibanka bo lemogilwe jaaka ntlha e e tswelelang go tshwenya. Jaaka fa dibanka tsotlhe tse dikgolo di amogetse tiriso ya thekenoloji mme di tlamela ka ditirelo tsa ditšhelete tse di tshwanang, boleng jwa tirelo jo bo tlamelwang ka badiri ba ba kwa pele ke tsela ya go iponela molemo wa kgaisano. Le fa dipatlisiso tse dintsi di bontsha botlhokwa jwa boleng jwa tirelo mme di supa bogolo jwa jona, ga go na dipatlisiso tse di totang batlapele ba boleng jwa tirelo ya badiri ba ba kwa pele. Thutopatlisiso eno e ne e ikaeletse go batlisisa gore boleng jwa tirelo ya ka fa gare, tikologo ya tirelo le kgotsofalo ya badiri ba ba dirang kwa pele bo tshwaela go le kana kang mo boleng jwa tirelo ya badiri ba ba dirang kwa pele mo bankeng ya badirisi ya Aforikaborwa. Ka thuso ya lenaanepotsolotso le le rulaganeng, go dirisitswe patlisiso e e ralalang dikarolo ya mo inthaneteng go kokoanya tshedimosetso go tswa mo badiring ba ba dirang kwa pele malebana le dintlha tse nne. Go tswa mo sampoleng ya badiri ba ba dirang kwa pele ba le 8 720, go amogetswe ditsibogo tse di tladitsweng di le 581 ka nako ya thutopatlisiso e kgolo, mme di ne tsa lekelediwa ka maitemogelo ka thuso ya dipalopalo tse di tlhalosang, tokololo ya tlhomamiso, tokololo ya tsamaelano le tokololo e e lebelelang dipoelo tse di farologaneng. Diphitlhelelo di ile setlhoeng fa sekao se se lebelelang dipoelo tse di farologaneng se supa gore seemo sa tirelo se ka se ke sa dirisiwa go bonela pele boleng jwa tirelo ya badiri ba ba dirang kwa pele, mme go ka dirisiwa kgotsofalo ya badiri ba ba dirang kwa pele le boleng jwa tirelo ya ka fa gare, le gore boleng jwa tirelo ya ka fa gare bo ka dirisiwa thata. Go tswa mo diphitlhelelong tseno, go dirwa dikatlenegiso di le lesome go tokafatsa boleng jwa tirelo ya badiri ba ba dirang kwa pele mo bankeng ya badirisi.

Mafoko a botlhokwa*:* Banka ya badirisi, Boleng jwa tirelo, Boleng jwa tirelo ya badiri ba ba dirang kwa pele, Boleng jwa tirelo ya ka fa gare, Seemo sa tirelo, Kgotsofalo ya badiri

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LIST OF ABBREVIATIONS AND ACRONYMS

The following abbreviations are used throughout the study.

AGFI	Adjusted Goodness of Fit Index
BASA	Banking Association South Africa
CFA	Confirmatory factor analysis
CFI	Comparative Fit Index
EFA	Exploratory factor analysis
FLE	Frontline employee
GDP	Gross domestic product
IFI	Incremental Fit Index
NFI	Normed Fit Index
NOAC	Next operation as customer
RMSEA	Root Mean Square Error of Approximation
SA	South Africa
TLI	Tucker-Lewis Index
UNISA	University of South Africa

CHAPTER 1:
INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 INTRODUCTION

Customer satisfaction is hard to win and easy to lose (Brink & Berndt, 2008). Savic and Veselinovic (2019) emphasise this principle in the context of retail banking, cautioning that for banks to succeed, they must not only attract new customers, but retain their existing ones. In South Africa's intensely competitive banking environment, in which banks offer similar financial products to customers, frontline employee service quality becomes one of the key differentiators for attracting and retaining customers (BASA, 2019).

Frontline employees at retail banks, placed at the organisation-customer interface, represent the organisation to customers, thus playing a pivotal role in the specific interactions between the organisation and customers (Wu, Tsai, Hsiung & Chen, 2015).

This study examined the influence of three antecedents, namely, internal service quality, service climate, and frontline employee satisfaction, on frontline employee service quality. The study was conducted across the retail branches of a major South African retail bank, henceforth referred to as Bank A (for Bank Anonymous). By understanding the influences of these antecedents, the results of this study will provide guidelines towards improving frontline employee service quality.

Chapter 1 presents a brief overview of the background to the study (Section 1.2), the research orientation (Section 1.3), the problem statement (Section 1.4) and key terms used in the study (Section 1.5). Thereafter, it outlines the primary and secondary research objectives (Section 1.6), the research hypotheses (Section 1.7), the contribution of the study (Section 1.8), the research methodology (Section 1.9) and limitations which were recognised at the outset of the study (Section 1.10). Finally, it presents an outline of the chapter layout of this dissertation (Section 1.11).

The next section discusses the background to the research study.

1.2 BACKGROUND TO STUDY: SA BANKING ENVIRONMENT

This section discusses the background to this study by considering the SA banking environment in terms of its role and importance (Section 1.2.1), its regulatory framework (Section 1.2.2), its participants (Section 1.2.3) and intense level of competitiveness (Section 1.2.4). Finally, it considers competitive differentiation within the SA banking environment, and highlights the potential for frontline employee service quality to become a key differentiator for providing a competitive advantage (Section 1.2.5).

1.2.1 Role and importance

Banks safeguard and transform the country's savings into investment and productive consumption. In addition, they help to grow the economy, boost employment and create wealth. Over the longer term, this contributes to a sound, secure banking and regulatory system, enhanced levels of confidence in the country as well as the ability to draw greater levels of investment (PwC, 2016). With an approximate 20% contribution to the gross domestic product (GDP), total assets of R4.8 trillion, and 154 000 employees, the banking sector in South Africa is well-established (BASA, 2017; 2019).

1.2.2 Regulatory framework

The South African (SA) banking sector and the regulatory framework within which it operates, are highly ranked globally (PwC, 2016; BASA, 2017; 2019). For example, the 2015-2016 World Economic Forum Global Competitive Index ranked South Africa 6th, amongst 140 global economies, for its availability of financial services, and 8th for the soundness of banks (WEF, 2016). It is the stability and integrity of SA's regulatory environment that is said to have protected the SA banks from the global financial crisis of 2007. Despite its stability in 2007, the SA regulatory environment has been further improved since then with the implementation of additional domestic and global regulations (BASA, 2017).

1.2.3 Participants

In the past 30 years, the banking sector in South Africa has undergone many changes. The early 1990s were characterised by a process of consolidation, with Allied Building Society, Volkskas Bank and United Building Society merging to form ABSA

(Amalgamated Banks of South Africa). This period also saw the promulgation of the Banks Act, resulting in a number of new banking licenses. By May 2019, excluding the 30 foreign banks with approved representative offices, there were 42 banking institutions registered with the Prudential Authority (SARB, 2019) in South Africa.

Although this amounts to 72 banking institutions, the South Africa banking sector remains highly concentrated. Traditionally, there were four large banks in the SA Banking sector, namely, ABSA, FirstRand, Nedbank and Standard Bank. However, with Capitec and Investec having successfully penetrated the industry in the last 25 years (PwC, 2016), the SA banking sector is currently said to have six large banks, which account for more than 90% of retail deposits (PwC, 2019; Kganyago, 2019). Capitec, registered in 2001, although the youngest and smallest in industry assets, is the largest in terms of active banking customers. By August 2019, Capitec recorded 12.6 million customers, and is adding 200 000 new clients every month (BusinessTech, 2019).

1.2.4 Competitiveness

Despite the stability and high concentration of SA banks, the SA retail banking sector operates within an extremely competitive environment. Changes in respect of the regulatory environment, product offerings, number of participants, technology and customer needs, have resulted in an environment reported as having the highest levels of competition, necessitating the highest levels of response (BASA, 2012; PwC, 2016; 2017; 2019).

SA banks are not only facing increasing competition from Capitec, but from technology-based so-called ‘fintech’ companies. Fintech companies are disrupting traditional banks by introducing traditional retail banking activities, such as payments, lending, deposits, asset management, and even advisory services. However, they are revolutionising the banking experience with technology expertise, agility, and a customer-centric approach, resulting in more efficient, innovative and cost-effective solutions (PwC, 2017; BASA, 2019). Amongst the technology-based platforms challenging the banking industry, is blockchain technology. By disintermediating key services, this technology offers the potential to provide customers with faster payments and lower fees (CBInsights, 2018).

Domestic South African banks believe that fintech banks pose a substantial threat to their business (PwC, 2016). The SA banking industry currently anticipates the launch of three fintech retail banking operations, namely, Tyme Digital, Discovery Bank and Bank Zero (PwC, 2019). Registered in 2017, these banks all have a fully digital approach which significantly reduces the traditional high-cost barriers to entry (O'Neill, 2018; Capitec, 2019). In a similar period, other contenders, including African Bank, Sasfin and Bidvest Bank recently stated their intentions to broaden their focus on retail transactional banking offerings (PwC, 2019).

1.2.5 Competitive differentiation

The strategic direction that banks adopt over the next decade will be an important factor in ensuring that they stay relevant and competitive (Weichert, 2017). In the context of the competitive SA banking environment, Coetzee (2018) notes that South African banks cannot compete without having information technology at the centre of their operational strategies. With reference to the strategic value propositions of the larger South African banks, Coetzee notes that they are all embracing the technological revolution.

Amidst the technological revolution and its capability to offer seamless banking experiences, the Banking Association South Africa (BASA) (2019:3) reports that technology "does not remove the need for personal relationships with clients. An emotional connection, rooted in trust, is still important in banking and will be one of the key differentiators for attracting and retaining customers".

Frontline employees, placed at the organisation-customer interface, represent the organisation to its customers. Amidst the interaction between the organisation, the frontline employee and the customer, the quality of the service encounter becomes a means for competitive differentiation. The importance of service quality has been well established in the literature on retail banking. Drotskie and Herbst (2010:205) note how, over time, "service quality and customer service have been potential strategic differentiators". Similarly, Savic and Veselinovic (2019) state that service quality is the most important determinant of customers' satisfaction and loyalty.

Surveys by PricewaterhouseCoopers (PwC) (2001; 2003; 2005; 2009; 2011, 2013) reveal that amongst the 30 most pressing issues facing South African banks, service quality has repeatedly been rated amongst the top six issues. In the South African

market specifically, where local banks offer similar financial products, and all banks embrace the technological revolution, frontline employee service quality has the potential to become a key differentiator for providing competitive advantage.

This section discussed the background to the current study. The next section contextualises the study in terms of its research orientation.

1.3 RESEARCH ORIENTATION

This section positions the current study in the context of previous research in the service quality domain. It outlines three principal focus areas in service quality research (Section 1.3.1) and elaborates on a lesser researched area in service quality, namely, the antecedents to service quality (Section 1.3.2). Finally, it describes how this study extends upon a previous study in the domain of antecedents to service quality (Section 1.3.3).

1.3.1 Principal focus areas in service quality

To date, research initiatives in the field of service quality have been pursued mainly within the marketing discipline. As a consequence, a substantial body of research has been focused on service quality from the customer's perspective (Anderson, Rungtusanatham & Schroeder, 1994; Dean & Bowen, 1994; Sila, 2007; Izogo, 2015).

As summarised in Table 1.1, a review of the relevant literature reveals that the principal focus of service quality research has been three-fold, namely:

- Identification of the service quality dimensions that are considered important by external customers;
- Development of measurement instruments for service quality; and
- Research regarding the consequences of service quality (such as customer satisfaction, customer retention, improvements in productivity, market share, employee morale, financial performance and profitability).

Table 1.1, on the following page, presents a list of scholars who have been doing research in each of these focus areas.

Table 1.1: Principal focus areas in service quality research

Principal focus areas	References to relevant studies
Identification of the service quality dimensions that are considered important by external customers	Sasser, Olsen & Wyckoff, 1978; Parasuraman, Zeithaml & Berry, 1985; 1988; 1994; Parasuraman, Berry & Zeithaml, 1991; Pitt, Berthon & Watson, 1999; Kang & James, 2004; Desai, 2011; Du Plooy, de Jager & van Zyl, 2012; Ebrahimi & Moghadam, 2012; Coetzee, Van Zyl & Tait, 2013; Raychaudhuri & Farooqi, 2013; Dirkse van Schalkwyk & Steenkamp, 2016; Savic & Veselinovic, 2019.
Development of measurement instruments for service quality	Parasuraman *et al.*, 1988; Asubonteng, McCleary & Swan, 1996; Buttle, 1996; Gounaris, 2005; James, Bush & Fontenot, 2007; De Jager & Gbadamosi, 2010; Malley & Fernández, 2010; Kaisara & Pather, 2011; Rafiq, Lu & Fulford, 2012; Walker, Fleschman & Johnson, 2012; Ali & Raza, 2015; Luke & Heyns, 2017; Alnaser, Ghani &Rahi, 2018.
Research regarding the consequences of service quality (such as customer satisfaction, customer retention, improvements in productivity, market share, employee morale, financial performance and profitability)	Lewis, Orledge & Mitchell, 1994; Julian & Ramaseshan, 1994; Yavas, Benkenstein & Studhldreier, 2004; Cant, Strydom, Jooste & Du Plessis, 2006; Hoffman & Bateson, 2006; Kotler & Keller, 2006; Zeithaml, Bitner & Gremler, 2009; Kant & Jaiswal, 2016; Mackay & Major, 2017; Meesala & Paul, 2018; Eresia-Eke, Jammine & Locke, 2019; Gavaza, Viljoen & Cilliers, 2019.

Source: Compiled by the researcher

An area of research that has received little attention in the domain of service quality, has been research focusing on the antecedents (or precursors) which enable frontline employee service quality (Reynoso & Moores, 1995; Jun & Cai, 2010; Gounaris,

Stathakopoulos & Athanassopoulos, 2003; Stanley & Wisner, 2001; Chaker & Jabnoun, 2010; Ganic, Hodovic & Kalajdzic, 2017; Al-Ababneh, Masadeh, Al-Shakhsheer & Habiballah, 2018; Esmaeilpour & Ranjbar, 2018; Almohaimmeed, 2019).

1.3.2 Antecedents to service quality

Frontline employee service quality is affected by both organisational factors and individual factors. Organisational factors refer to the correlation between the organisation and the frontline employee's service performance (Liao & Chuang, 2004), while individual factors refer to the innate characteristics of the individual and their correlation with the frontline employee's service quality (Tett, Jackson & Rothstein, 1991; Barrick & Mount, 1993).

This study extends a previous study by Ehrhart, Perry, Schneider and Witt (2011), which falls in the domain of antecedents to service quality. This is discussed in the next section.

1.3.3 Theoretical grounding for this study

Ehrhart *et al.* (2011) explored the joint effects of two organisational factors, namely, service climate and internal service quality, on external customer-perceived service quality in a retail banking environment. Their findings revealed that high internal service quality is necessary for service climate to yield superior external customer-perceived service quality (Ehrhart *et al.*, 2011).

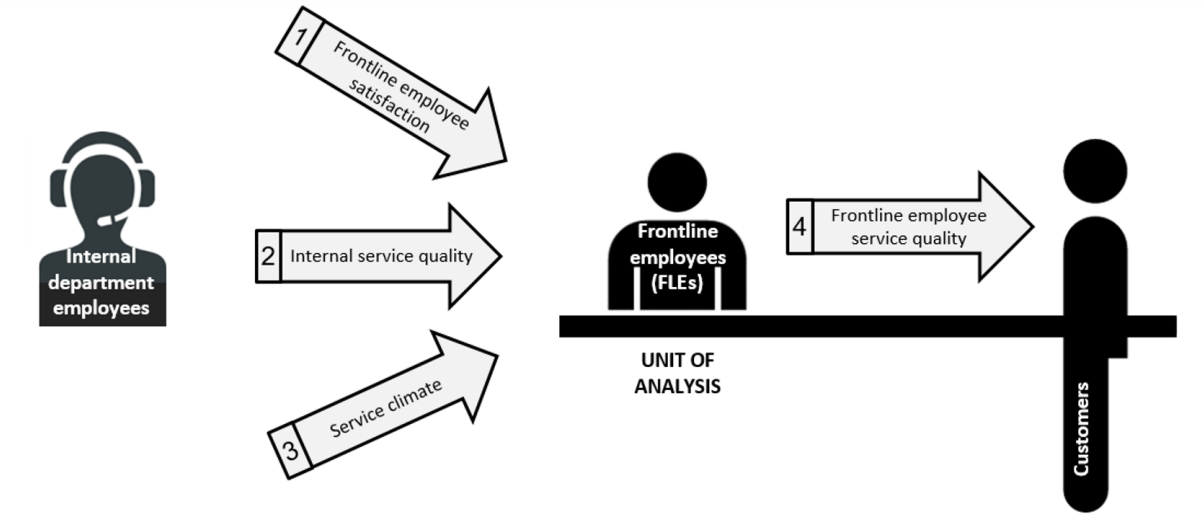
One aspect that Ehrhart *et al.* (2011) neglected to consider in their study is that of frontline employee satisfaction. According to a number of studies, should frontline employees be dissatisfied in their jobs, they are unlikely to deliver the service quality required to satisfy their customers (Heskett, Sasser & Schlesinger, 1997; Kumar, Smart, Maddern & Maull, 2008; Ahmed, Razzaque & Ramzan, 2011; Piriyathanalai & Muenjohn, 2012).

While Ehrhart *et al.* (2011) focused on customers' perceptions of service quality, several researchers argued the importance of focusing on frontline employees' perceptions of service quality (Steers & Porter, 1991; Boshoff & Mels, 1995; Sergeant & Frenkel, 2000; Dolen, Lemmink, De Ruyter & De Jong, 2002; Wu *et al.*, 2015). Among the various reasons presented for this choice of focus, Boshoff and Mels

(1995) noted how frontline employees, through their involvement in the service encounter, have a greater awareness of the challenges posed by customer interaction. Furthermore, Steers and Porter (1991) state that frontline employees' perceptions drive their behaviour, and consequently, should not be ignored.

In the context of service quality as an ongoing issue in SA banks, which has the potential to become a key differentiator for providing a competitive advantage, this study extends on Ehrhart *et al.*'s (2011) research. This is achieved by using the perceptions of frontline employees themselves to examine the influence of internal service quality, service climate and frontline employee satisfaction, on frontline employee service quality, in a South African retail bank.

Figure 1.1 presents a diagrammatic overview of the relevant constructs, their direction of influence, and the unit of analysis. The numbered arrows indicate the relevant constructs and their direction of influence. The numbered blocks contextualise the rating of the four constructs in terms of their relevance to the unit of analysis.



1	FLEs rate their own **frontline employee satisfaction**
2	FLEs rate the **internal service quality** delivered to them by internal departments
3	FLEs rate the **service climate** of the retail branch at which they are working
4	FLEs rate their own **frontline employee service quality** delivered to customers during service encounters

Figure 1.1: Constructs and unit of analysis for this study

Note: Internal department employees represent employees from a range of internal departments, for example: Credit cards, Home loans, Personal loans, Vehicle finance, Internet banking, Stop cards and Estates.

Source: Compiled by the researcher

Sections 1.1 to 1.3 respectively, covered the introduction, background and research orientation to this study. Collectively, these sections presented the arguments, themes and academic sources which lead to the problem statement as formulated for the current study. The next section presents this problem statement.

1.4 PROBLEM STATEMENT

In the context of the importance of a well-established and well-regulated SA banking environment, SA banks need to attract and retain customers in a highly competitive landscape. Within this environment, the service quality of banks has been noted as an ongoing pressing issue.

The problem statement addressed by this study is that service quality problems persist in the South African banking sector, despite:

- Survey results that repeatedly highlight how South African banks perceive service quality as a pressing issue.
- Literature outlining the customer service quality dimensions that are considered important by customers.
- Literature outlining the potential of good service quality to differentiate and provide a competitive advantage.

Gaining insight into the relationships between service climate, internal service quality, frontline employee satisfaction and frontline employee service quality, across the retail branches of Bank A, may reveal reasons why service quality is lacking.

The next section provides definitions for the four constructs that have been adopted for the current study.

1.5 KEY TERMS

Table 1.2, on the following page, lists the definitions of the four constructs, for the purpose of this study. The adoption of these definitions, in the context of the relevant literature, is further discussed in Chapter 2.

Table 1.2: List of definitions

Term	Definition
Frontline employee service quality	The level of service quality provided to customers during the service encounter, amidst the interaction of the service organisation, the frontline employee and the customer.
Internal service quality	The level of service quality provided to frontline employees during internal service encounters, amidst the interaction of the service organisation, staff from internal departments and the frontline employee.
Service climate	The level to which frontline employees perceive their retail banking outlet as applying the practices, procedures and kind of behaviours that are rewarded with regards to customer service and service quality.
Employee satisfaction	The level of the general emotion, state, or attitude of frontline employees, resulting from their own appraisal of their jobs or job experiences.

Source: Compiled by the researcher

The next section outlines the research objectives for this study.

1.6 RESEARCH OBJECTIVES

The primary objective that was formulated for this study is:

To investigate the extent to which internal service quality, service climate and frontline employee satisfaction contribute to frontline employee service quality in a South African retail bank.

In order to achieve this primary objective, the following secondary objectives were pursued:

1. To measure and analyse frontline employee service quality in Bank A, as perceived by the retail banking frontline employees themselves.
2. To measure and analyse internal service quality as perceived by the retail banking frontline employees of Bank A.
3. To measure and analyse service climate as perceived by the retail banking frontline employees of Bank A.
4. To measure and analyse frontline employee satisfaction in Bank A, as perceived by the retail banking frontline employees themselves.

5. To measure the interrelationships between the four constructs in the case of the retail banking frontline employees of Bank A.

The next section reflects the research hypotheses that have been formulated for this study.

1.7 HYPOTHESES

The interrelationships between the four constructs in this study, as measured in Secondary objective 5, form the basis for the testing of six hypotheses.

Table 1.3 lists the null and alternative research hypotheses formulated for this study.

Table 1.3: Research hypotheses H01 to H06

Research Hypothesis	Description
H01	Service climate is not positively correlated to frontline employee service quality.
Ha1	Service climate is positively correlated to frontline employee service quality.
H02	Service climate is not positively correlated to frontline employee satisfaction.
Ha2	Service climate is positively correlated to frontline employee satisfaction.
H03	Service climate is not positively correlated to internal service quality.
Ha3	Service climate is positively correlated to internal service quality.
H04	Internal service quality is not positively correlated to frontline employee satisfaction.
Ha4	Internal service quality is positively correlated to frontline employee satisfaction.
H05	Internal service quality is not positively correlated to frontline employee service quality.
Ha5	Internal service quality is positively correlated to frontline employee service quality.
H06	Frontline employee satisfaction is not positively correlated to frontline employee service quality.
Ha6	Frontline employee satisfaction is positively correlated to frontline employee service quality.

Source: Compiled by the researcher

Note. HO is indicative of the null hypotheses. Ha represents the alternative hypotheses.

The next section discusses the contribution of this study.

1.8 CONTRIBUTION OF THE STUDY

By identifying the significant/non-significant impacts on frontline employee service quality at the retail branches of one of the major banks in SA, the results of this study provide guidelines towards improving frontline employee service quality. These guidelines are relevant to the participating bank, as well as other organisations in similar internal and external service-setting contexts.

By improving the frontline employee service quality in retail banking, banks may better serve the needs of the SA banking population. In turn, this may lead to a competitive advantage, a growing customer base, and ultimately, improved growth, stability and profitability for SA banks.

The next section reports briefly on the research methodology utilised in this study.

1.9 RESEARCH METHODOLOGY

This section provides a brief discussion of the research design (Section 1.9.1), the target population (Section 1.9.2), the data-collection method (Section 1.9.3), the data-collection instrument (Section 1.9.4), the sampling plan (Section 1.9.5), the data analysis (Section 1.9.6) and ethical considerations (Section 1.9.7). An in-depth discussion and motivation for the research methodology adopted for the current study, is presented in Chapter 3.

1.9.1 Research design

While hypotheses and/or research questions are typically developed from exploratory studies, conclusive studies typically begin with these hypotheses and/or research questions, and test them through precise procedures and data source specifications (Malhotra & Birks, 2007; Cooper & Schindler, 2014).

This study applied a conclusive research design, using a deductive process, with the aid of descriptive, correlational and causal statistics. A descriptive statistical single case study approach was adopted, whereby six research hypotheses were tested across the retail branches of Bank A.

1.9.2 Target population

Bank A is one of the four main players in the South African banking sector. It has between 700 and 800 retail branches across all the provinces in South Africa and

employs over 30 000 employees. The population for this study comprised the entire group of frontline employees at the retail branches of Bank A, who are involved in face-to-face service delivery to customers. The population unit of analysis is the frontline employee.

By virtue of the positioning of frontline employees in Bank A, between internal departments (from which they receive service) and customers (to which they provide service), frontline employees were well-positioned to supply the required information pertaining to the four constructs.

1.9.3 Data-collection method

The study employed a survey design, using a structured questionnaire, administered as an internet survey. The respondents were invited to participate via an email which contained an electronic link to the survey.

1.9.4 Data-collection instrument

The structured questionnaire collected demographic information as well as information pertaining to the four constructs under consideration. The measuring instrument was adapted from four instruments, which had been used by previous researchers, to measure the constructs under consideration. The selection of these instruments was based on a thorough review of the existing literature. Each of the selected instruments had demonstrated sufficient validity and reliability in previous studies. Chapter 2, Section 2.4 focuses on the selection of the four instruments. Chapter 3, Sections 3.4.1 to 3.4.4 focus on the adaptation of the four instruments.

1.9.5 Sampling plan

For the purpose of this study, Bank A obtained a spreadsheet register of the email addresses of the full population of frontline employees at retail bank branches across South Africa, constituting 8 720 employees. In light of larger sample sizes increasing the chances of population representivity, it was decided, with the permission of Bank A, to send the survey to the entire population of frontline employees. Accordingly, the list of 8 720 frontline employees constituted the sampling frame.

Due to the importance of pilot-testing (as outlined in Chapter 3, Section 3.4.7), it was decided to include 1 000 employees in the pilot-study, and 7 720 employees in the main study. At the end of the main study, there were 581 completed questionnaires.

This was considered a satisfactory sample, resulting in a response rate of 7.5%. In view of the size of the final sample, as well as similarities between the sample and total population, the 581 completed responses in the actual study were deemed as representative of the population.

1.9.6 Data analysis

To answer the primary and secondary research questions, the collected data was statistically analysed using the statistical software package, SPSS, which is used for all statistical procedures in a stage-by-stage approach. The process included data cleaning and screening, descriptive statistics, confirmatory factor analysis, correlation analysis and multivariate regression analysis.

1.9.7 Ethical considerations

All research procedures were conducted in an ethical manor. The ethical considerations and authorisation are discussed in Chapter 3, Section 3.9.

This section reported briefly on the research methodology selected for this study. The next section considers the limitations recognised at the outset of this study.

1.10 LIMITATIONS

At the outset of the study, the study was subject to two limitations, as outlined below:

The sample frame included all the retail branches of one major bank across South Africa. While the results may act as a guideline to other banks with similar internal and external service settings, they are not generalisable across all banks.

The use of self-reported measures may be susceptible to social desirability bias. Based on several studies and meta-analyses, Singh (2000:31) found that self-rating measures are “more likely to bias the mean values (upward) but less likely to bias their correlations with other constructs”. Given that this study investigated construct correlations, it was considered a reasonable approach for this study.

The full set of limitations, including limitations identified during the course of the study, is reported in Chapter 5, Section 5.5.

The next section presents the chapter layout.

1.11 CHAPTER LAYOUT

Figure 1.2 outlines the flow of the chapters and is followed by a brief description of the content of each chapter.

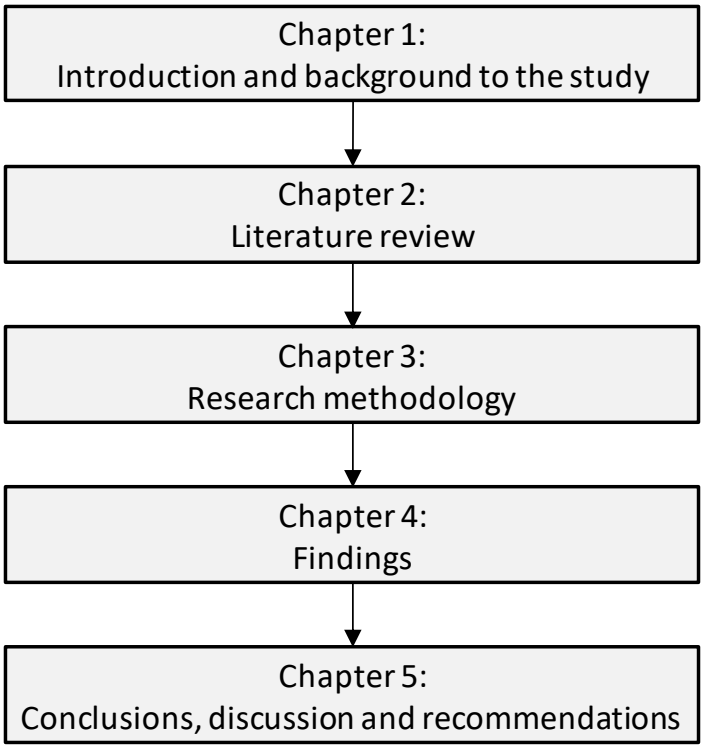


Figure 1.2: Flow of chapters

Source: Compiled by the researcher

Chapter 1: Introduction and background

Chapter 1 presented an overview of the background to the study, the research orientation, the problem statement and key terms used in the study. Thereafter, it outlined the primary and secondary research objectives, the research hypotheses, the research methodology, and the limitations which were recognised at the outset of the study.

Chapter 2: Literature review

Chapter 2 provides an overview of the retail banking business offering and its positioning within service operations and the service sector. Thereafter, it outlines the relevant literature relating to the four constructs to be investigated by this study. Finally, it considers the literature relating to the measurement of these constructs and motivates the selection of specific measuring instruments which inform the adapted instruments used in this study.

Chapter 3: Research methodology

Chapter 3 discusses the research methodology relating to this study. This is achieved with the support of a research framework synthesised by the researcher, whereby each of the following eight topics are discussed, with specific reference to this study: Research design; Research strategy; Research instrument; Research universe; Data obtained; Data validity and reliability; Data analysis and Research ethics.

Chapter 4: Findings

Chapter 4 presents the empirical findings in a stage-by-stage approach which includes: Data cleaning and screening; Descriptive statistics; Confirmatory factor analysis; Correlation analysis; and Multivariate regression analysis.

Chapter 5: Conclusions, discussion and recommendations

Chapter 5 serves as an overarching summary of the dissertation. It summarises the scope of the research and demonstrates how the primary and secondary objectives were achieved. Further to this, it provides conclusions and discussions, from which ten recommendations emerge. Finally, the chapter outlines the limitations of the study, recommendations for future research and the contributions made by this work, culminating in a final conclusion.

The ethical clearance certificate, organisation permission letter, respondents' consent and online questionnaire are included in the appendices.

CHAPTER 2:
LITERATURE STUDY

2.1 INTRODUCTION

Chapter 1 provided the background to the SA banking sector. This was achieved by considering its role and importance, its regulatory framework, its participants, and the intense level of competitiveness. In the context of SA banks, where service quality is an ongoing issue, Chapter 1 noted how frontline employee service quality can become a key differentiator for providing a competitive advantage.

Chapter 1 also positioned this study within the service quality domain, and stated the primary objective of this study, namely, 'to investigate the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to frontline employee service quality in a South African retail bank'. In order to achieve this primary objective, five secondary objectives were outlined.

Chapter 2 provides the foundation for the achievement of secondary objectives 1 to 4, which set out to measure and analyse the four constructs in this study, respectively. This is achieved through an overview of the literature in three focus areas, as summarised in Table 2.1.

Table 2.1: Focus areas and motivation for focus areas

Focus area	Motivation for focus area	Section
Contextualising frontline employee service	To understand the positioning of frontline employee service, within retail banking and service type operations.	2.2
Understanding the constructs in this study	To understand the four constructs in this study with the aid of relevant literature.	2.3
Measuring the constructs in this study	To investigate the measurement of the four constructs in this study with the aid of relevant literature.	2.4

Source: Compiled by the researcher

Figure 2.1 (on the next page) provides an overview of the structure of Chapter 2. It originates from Table 2.1 and reflects the headings and sub-headings used in this chapter.

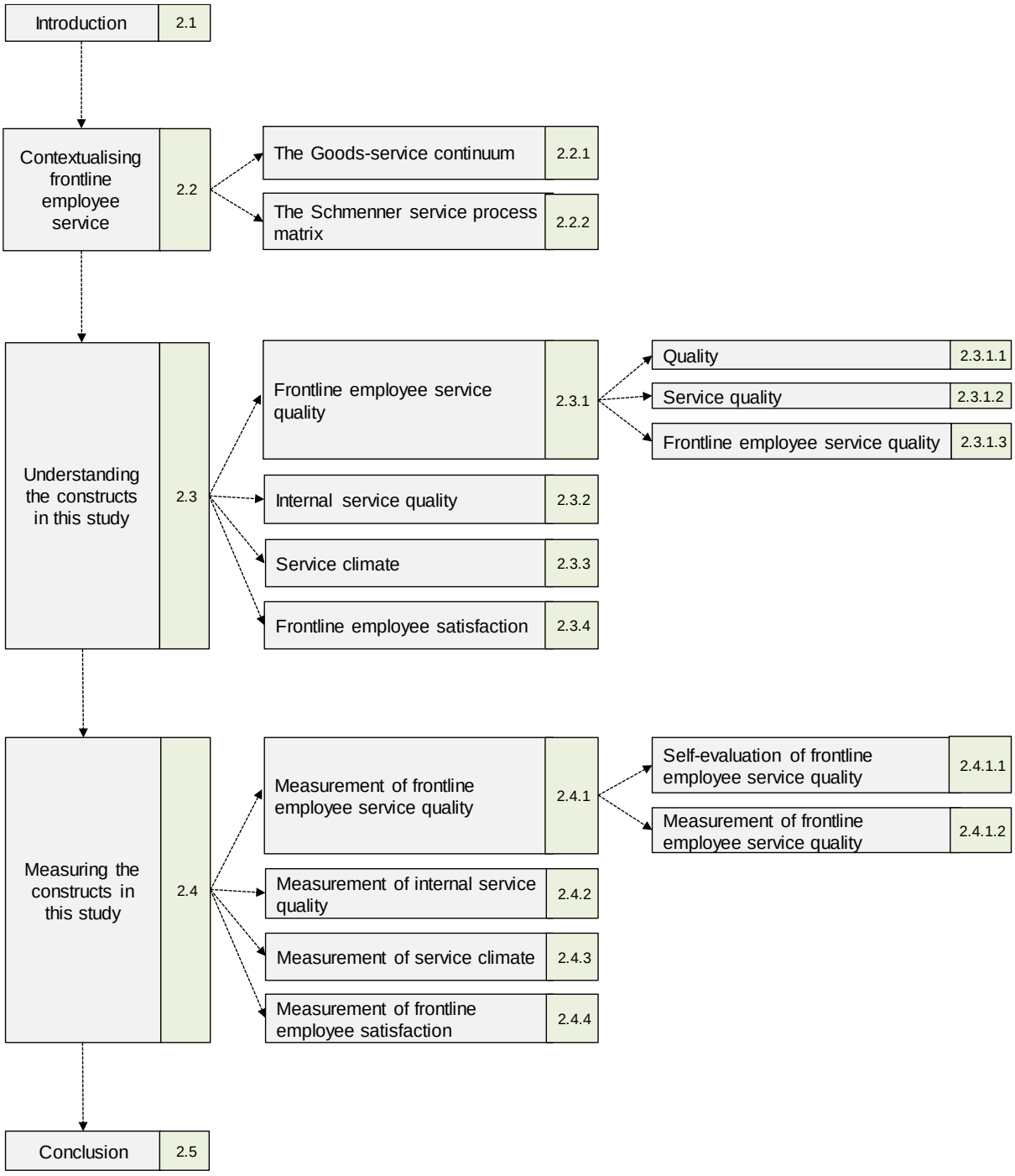


Figure 2.1: Conceptual framework for Chapter 2

Source: Compiled by the researcher

The next section considers the positioning of frontline employee service within retail banking and service type operations.

2.2 CONTEXTUALISING FRONTLINE EMPLOYEE SERVICE

Lashley (1998) points out that even when a service is relatively simple, one cannot say that service delivery is homogenous. Lashley further asserts that in order to better

understand the nature of frontline employee service, it is necessary to first understand the service operations context in which this service is being offered.

Offerings by retail banks are broadly classified under the following headings (Bick, Brown & Abratt, 2004:303):

- Transaction and payment offerings: Cheque accounts and debit cards;
- Investment offerings: Savings accounts, fixed deposits and unit trusts;
- Credit and borrowing offerings: Credit cards, home loans, overdrafts and car finance;
- Financial planning offerings: Retirement annuity plans and education policies.

With a view to understanding the contextual relevance of frontline employee service within retail banking, and retail banking within service operations, this section applies two service operations classifications, namely:

- The Goods-service continuum;
- The Schmenner service process matrix.

These two service operations classifications are discussed in the sections below.

2.2.1 The goods-service continuum

Collier and Evans (2017:6) differentiate between a good and a service. A good is a "physical product that you can see, touch, or possibly consume", while a service is a "primary or complimentary activity that does not directly produce a physical product".

With the aid of the goods-service continuum, as presented in Figure 2.2, Stevenson (2018) points out that operations often produce goods and services, jointly.

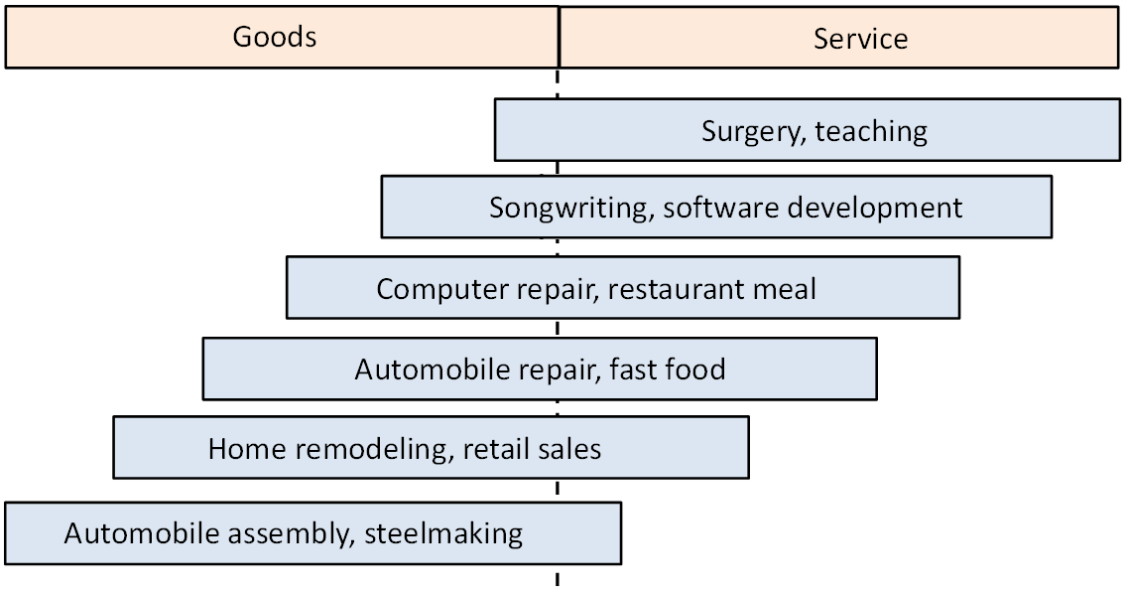


Figure 2.2: Goods-service continuum

Source: Stevenson, 2018:7

Most product offerings are a combination of goods and services. In the goods-service continuum, this is displayed along a continuum of "pure goods" to "pure services" (Jacobs & Chase, 2018:8). In the light of there being relatively few pure goods or pure services, organisations usually sell product packages, which include a combination of goods and services (Stevenson, 2018).

Collier and Evans (2017) refer to this combination of goods and services as a customer benefit package. The customer benefit package includes tangible (goods-content) and intangible (service-content) and will consist of a primary good or service, coupled with peripheral goods and/or services.

Retail banking and the goods-service continuum

With reference to retail banking, Collier and Evans (2017) note that the primary service of a personal cheque account is to provide convenient financial transactions. This primary service might be supported and enhanced by peripheral goods and peripheral services. Bick *et al.* (2004) point out that retail banks often refer to a cheque account or a credit card account as a product, while in reality, such accounts are actually a service, namely, the facilitation of transactions on the part of a customer.

Examples of peripheral goods to such an account would be a printed monthly account and a credit card. Examples of peripheral services to such an account would be frontline employee service at retail branches, online banking and telephone banking.

Kotarba (2016), with reference to the accelerated evolution of technology, refers to these peripheral services as the omni-channel approach, whereby all access channels, whether via branches, agents, call centres or electronic banking, are synchronised to allow for an uninterrupted flow of processes, regardless of their origin or status.

In summary, the four broad offerings by retail banks (namely, transaction and payment offerings; investment offerings; credit and borrowing offerings; financial planning offerings) constitute primary services. However, each of these offerings includes peripheral goods and services, which support and enhance these services. One of the peripheral services is service encounters at retail bank branches with frontline bank employees.

The second classification to be considered, that of the Schmenner Service Process, focuses specifically on the labour dimension, which further enables an understanding of the retail banking business offering.

2.2.2 The Schmenner Service Process Matrix

In a seminal work, Schmenner (1986) developed the Schmenner Service Process Matrix, as illustrated in Figure 2.3.

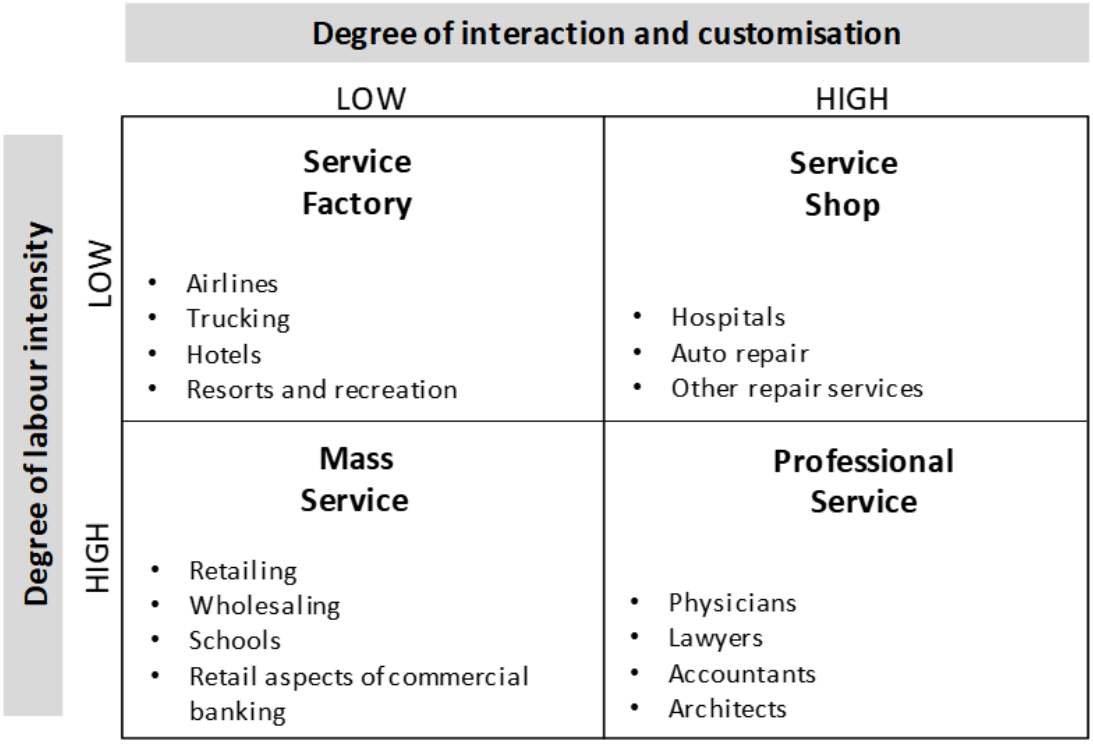


Figure 2.3: The Schmenner Service Process Matrix

Source: Schmenner, 1986:25

The matrix distinguishes between four types of services, based on two major criteria, namely, the degree of labour intensity and the degree of interaction and customisation. The degree of labour intensity is a measure of labour costs relative to capital costs, while the degree of interaction and customisation is a measure of the extent to which customers interact with the operation and receive customised service.

Retail banking and the Schmenner Service Process Matrix

Schmenner (1986) positions the retail aspects of commercial banking in the mass service quadrant. The mass service quadrant implies a high degree of labour intensity, with a low degree of interaction and customisation.

An elaboration of the Schmenner matrix by Fitzsimmons, Fitzsimmons and Bordoloi (2014) clarifies the positioning of retail banking in the mass service quadrant. Retail banking is classified as high in labour intensity, because it has high labour costs relative to its capital requirements. It is classified as low in interaction and customisation, due to the standardised nature of retail banking services, in which the service offered, is standardised according to a predetermined set of customer needs. While retail banking customers may have a variety of services to choose from, the ability of the frontline employee to personally affect the nature of the service being delivered is considered to be low.

Frontline employee service and the Schmenner Service Process Matrix

With reference to the 'degree of interaction and customisation', Collier and Evans (2017) remark in context of the omni-channel approach, that customers are required to interact either physically, on a telephone, or online, for a service to commence. In terms of retail banking and these various channels, the physical interaction between a customer and a frontline employee at a retail branch, reflects the highest levels of customer involvement. Palmer (2014) notes that purchase decisions that are higher in risk in terms of their outcomes, will have greater customer involvement. In the context of the four broad offerings by retail banks, offerings in the financial planning category would typically have higher involvement than the offerings related to transactions and payments.

Based on the two classifications considered in this section, the four broad offerings in retail ranking are seen as primary services, with various peripheral products and services which enhance the primary services. Amongst the peripheral services

offered, is face-to-face interaction with frontline employees, who represent the organisation to its customers. While the degree of customisation might be considered low (in that frontline employees are limited to a standardised portfolio of services), the degree of involvement with the customer will vary from low to high, depending on the nature and/or perceived risk associated with a customer service enquiry.

This section contextualised frontline employee service as related to this study by understanding its position within retail banking and service type operations, respectively. The next section elaborates on the four constructs considered in this study.

2.3 UNDERSTANDING THE CONSTRUCTS IN THIS STUDY

With the aid of relevant literature, this section elaborates on each of the four constructs in this study, namely, frontline employee service quality, internal service quality, service climate and frontline employee satisfaction.

2.3.1 Frontline employee service quality

To provide a foundation to understanding frontline employee service quality, this section expands on quality (Section 2.3.1.1), service quality (Section 2.3.1.2) and finally, frontline employee service quality (Section 2.3.1.3).

2.3.1.1 Quality

Stamatis (1996) has summarised the definitions of quality, as provided by experts in quality management over the years, into the following categories:

- Conformance to requirements (Crosby, 1979 in Stamatis, 1996);
- Fitness for use (Juran, 1979 in Stamatis, 1996);
- Continual improvement (Deming, 1982 in Stamatis, 1996);
- As defined by customers (Ford 1984; 1990 in Stamatis, 1996).

Foster (2017) notes how the traditional view of quality had its origin in the context of manufacturing processes. Consequently, the focus was on ‘conformance to specifications’ and ‘measuring, monitoring and rectifying deviations’. In recent years this narrow definition has been extended to answer a very important question, namely, whose requirements and whose specifications (Palmer, 2014). Palmer merges the latter definitions with the concept of ‘customer-perceived quality’, stating that quality

can only be defined by customers, and occurs when an organisation supplies goods or services to a specification that satisfies customer needs.

A review of the existing literature reflects that there is no single universally recognised definition of quality. However, there are similarities amongst the various definitions, from which elements can be extracted. Goetsch and Davis (2013) reflect on some of these commonalities:

- Quality involves meeting or exceeding customer expectations;
- Quality applies to products, services, people, processes, and environments;
- Quality is an ever-changing state; and
- Quality produces superior value.

With reference to 'products, services, people, processes and environments', Goetsch and Davis (2013:11) explain that quality applies not only to the "products and services provided, but also to the people and processes that provide them and the environments in which they are provided". With reference to the 'ever-changing state', they explain that what is considered quality, can and does change as time passes and as circumstances alter. With reference to 'superior value', they state that quality is considered a key element in providing superior value (that is, superior quality at a reasonable cost).

This section provided a brief but overall view of the field of quality. The next section hones in on a specific domain within the field of quality, namely, service quality.

2.3.1.2 Service quality

This section elaborates on service quality by providing a conceptual overview and considering its importance.

Overview

Although the literature within the field of quality clearly differentiates between product quality and service quality, Foster (2017) suggests that service quality is more difficult to define than product quality. Although they share many attributes, service quality has a far more diverse set of quality attributes by virtue of its high customer involvement. Palmer (2014) refers to this diverse set of quality attributes and explains that no two services are provided in exactly the same way. Palmer expands on this by stating that the intangibility, variability and inseparability of most services culminate in each buyer-

seller exchange being unique. Furthermore, while goods and services both share much of the conceptual underpinning of quality, services tend to pose greater problems in the understanding of customers' needs and expectations.

Various analyses of service quality have endeavoured to differentiate between the objective measures of quality (frequently derived from manufacturing-sector approaches) and the subjective measures of service quality (using the perceptions of customers) (Palmer, 2014). The works of a few authors assist towards an understanding of theory development in this regard. For example, Swan and Coombs (1976) differentiated between instrumental quality and expressive quality. Instrumental quality describes the physical aspects of the service, while expressive quality relates to the intangible or psychological aspects. Grönroos (1984) distinguished between technical and functional quality, where technical quality relates to the quantifiable aspects of a service which can easily be measured (such as waiting time at a supermarket), while functional quality addresses how the quality is delivered during the interaction between the service-provider and customer.

Importance

Robbins, Coulter and DeCenzo (2017) contend that the more an organisation satisfies its customers' needs for quality and builds up a loyal customer base, the more it can differentiate itself from its competitors. Constant improvement in the quality of services can lead to a competitive advantage that other organisations cannot emulate.

Lamb, Hair, McDaniel, Boshoff and Terblanche (2004) and Seth, Deshmukh and Vrat (2005) expound, stating that many organisations have recognised that their competitors are offering products of similar quality at similar prices. Consequently, the only means to differentiate themselves is by offering superior service. There are several arguments in favour of service quality differentiation. Amongst these reasons, is that it constitutes an important buying consideration for many customers, and is difficult to emulate (Lamb *et al.*, 2004). Additionally, the opening up of markets, the amplified use of information technology, and increased levels of customer knowledge, further underscore the need for service quality differentiation (Seth *et al.*, 2005).

The Service-Profit Chain, as developed by Heskett, Jones, Loveman, Sasser and Schlesinger (1994), also emphasises the importance of service quality. According to this model, "the service quality delivered by a service provider is the consequence of

a chain of cause-effect relationships" (Meesala & Paul, 2018:267). While many variations of this model have been proposed in academic and practitioner articles, Collier and Evans (2017) note the key emphasis of the model, namely, the service-encounter, because of the value created in service processes at this level.

Collier and Evans expound further, noting that healthy, motivated, well-trained, and loyal employees demonstrate higher levels of satisfaction, employee retention and productivity. At the service-encounter level (where buyers of services focus on outcomes, results and experiences), this leads to higher levels of external service value. Ultimately, higher external service value results in higher customer satisfaction, customer loyalty, revenue growth and profitability.

Some researchers point out the negative consequences of a lack of service quality. Amongst these consequences, Lewis (2007) notes the increase in customer complaints, employee complaints, and ultimately, raised costs. Prideaux, Moscardo and Laws (2006) state that customers who are dissatisfied with the quality of a service, will likely share this dissatisfaction with others, damaging the organisation's credibility, and will take their business elsewhere. Dale, Van der Wiele and Van Iwaarden (2007) expound on customer dissatisfaction, noting that dissatisfied customers who have experienced poor customer service will typically share these poor experiences twice as much as satisfied customers who have experienced good customer service. They add, however, that when complaints are handled effectively and efficiently, 95% of the dissatisfied customers will become loyal customers again. While these statistics make a relevant point, social media may have distorted these traditional word-of-mouth statistics.

Research, specifically in retail banking, draws attention to the importance of service quality. Section 2.2 of Chapter 1 referred to the numerous role players within the SA banking environment who compete intensively to secure a share of the market. Aukja, Bosire and Matern (2013) comment how service quality has become a primary competitive weapon as banks compete in a market place with generally undifferentiated products. Similarly, Savic and Veselinovic (2019:203) note that "the most important determinant of clients' satisfaction and loyalty in the banking sector today is service quality".

This section elaborated on service quality by providing a conceptual overview and considering its importance. The next section addresses a specific domain within the field of service quality, namely, frontline employee service quality.

2.3.1.3 Frontline employee service quality

This section elaborates on frontline employee service quality by providing a conceptual overview and investigating its importance.

Overview

Frontline employees at retail banks, placed at the organisation-customer interface, represent the organisation to customers, thus playing a pivotal role in the specific interactions between the organisation and customers (Wu *et al.*, 2015). Kandampully and Kandampully (2006) note that organisations with comparable product offerings can offer differentiation through their service delivery, not only by what they offer during the service encounter, but also by how they offer the service encounter. They comment further that it is the 'how' that adds true value for customers. With a view to defining frontline employee service quality for the purpose of this study, various definitions were considered for 'service quality' and the 'service encounter'.

Zeithaml *et al.* (1990:18) define service quality as "meeting or exceeding what customers expect from the service". Palmer (2008:90), citing Shostak (1985), defines a service encounter, as "a period of time during which a consumer directly interacts with a service". Palmer notes how this definition encompasses all aspects of the service organisation with which a consumer may interact, including its personnel and its physical assets. Fitzsimmons *et al.* (2014) concur, depicting the service encounter as a triangle, formed by the interacting interests of the customer, the service organisation, and contact personnel. They refer to the interaction between these three elements as the moment of truth, during which a customer evaluates the service and forms an opinion. This critical moment holds the potential for an organisation to achieve a reputation for superior service quality.

With the aid of these definitions, for the purpose of this study, frontline employee service quality is defined as the level of service quality provided to customers during the service encounter, amidst the interaction of the service organisation, the frontline employee and the customer.

Importance

Empirical evidence shows that frontline employee service performance correlates positively to favourable service encounters, customer-perceived service quality, greater satisfaction, as well as an increase in visits and purchases on the part of the customer (Bowen, Siehl & Schneider, 1989; Borucki & Burke, 1999; Wu *et al.*, 2015). Frontline service employees have also been identified as a means to differentiate a service brand from that of the competition (Ind, 2004; Boyd & Sutherland, 2006; Ind & Bjerke, 2007; Brodie, Whittome & Brush, 2009; Kimpakorn & Tocquer, 2009; Wu, Liang & Chang, 2009; BASA, 2019).

In the context of retail banking, BASA (2019:3) comments that the current technological revolution "does not remove the need for personal relationships with clients". Furthermore, they state that "an emotional connection, rooted in trust, is still important in banking and will be one of the key differentiators for attracting and retaining customers". Johns (2012) concurs, explaining that the human interaction between parties in a banking relationship remains pivotal in promoting trust and relational commitment. Coetzee (2018) notes that South African banks acknowledge the importance of these personal interactions. PwC (2016) point out the risks for banks that do not focus on frontline employee service quality. For example, with the influx of social media networks and affinity groups, a bad customer experience may easily go viral, resulting in material damage to a company's brand.

Amidst the digitisation era, PwC (2016) and Coetzee (2018) take note of the changing roles of frontline employees. As retail branches change from predominantly transactional and query outlets to sales and educational outlets, they anticipate that the role of frontline employees will place increased emphasis on firstly, educating customers on digital channels and migration thereto, and secondly, educating customers on new portfolios of services.

With regard to new portfolios of services, PwC highlights the trend amongst banks of attempting to develop non-banking services, for example, insurance, traditional and alternative asset management, or advisory services. BASA (2019:3) concurs, suggesting that the "future banking ecosystem will look very different from the one we have today, extending well beyond just core banking and expanded financial services".

Section 2.3.1 homed in toward the frontline employee service quality construct by elaborating on quality (Section 2.3.1.1), service quality (Section 2.3.1.2) and frontline employee service quality (Section 2.3.1.3). The next section addresses internal service quality.

2.3.2 Internal service quality

Internal service quality is the first of three antecedents to frontline employee service quality considered in this study. This section elaborates on internal service quality by providing a conceptual overview and investigating its importance.

Overview

Section 2.3.1.2, with the assistance of the Service-Profit chain, highlighted that service quality should not be viewed in isolation, but rather in chain form, which sees internal service quality driving employee satisfaction, which in turn, drives external service quality. While research consistently focused on external service quality, much less attention has been directed toward internal service quality (Almohaimmeed, 2019; Srivatava & Prakash, 2019).

Contextualising the importance of internal service quality, Palmer (2014:327) conceptualises every organisation as “a marketplace, consisting of a diverse group of employees who engage in exchanges with each other”. Employees are frequently dependent upon the internal services delivered by other departments or individuals, within the same organisation. The consequences of this are numerous internal service encounters in which internal customers bring their needs to an encounter.

Fredendall, Hopkins and Bhonsle (2005) describe internal customers as individuals from other departments within a particular organisation that internal suppliers serve. They conceptualise an organisation as a linked chain of individual work units. The collaboration between the individual work units (internal suppliers and internal customers) has an influence on the organisation’s ability to ultimately, meet or exceed external customers’ needs and expectations.

This view of different internal suppliers and customers, some of whom work directly within service delivery processes, and others who provide support to service delivery processes, appears to be closely related to the concept of the value chain (Porter, 1980, in Palmer, 2014). Denton (1990), cited by Palmer (2014:327), notes how this value chain links closely to the concept ‘Next operation as customer’ (NOAC) which is

rooted in Total Quality Management literature. The premise of NOAC is that every group within an organisation regards the recipient of an output as an internal customer, and accordingly, attempts to provide high quality outputs. By means of this approach, quality is built, ultimately, into the service provided to the final customer.

Although normally seen as a one-way process, Finn, Baker, Marshall and Anderson (1996:37) state that internal customer service can be viewed as "a two-way exchange process between individuals in different functional departments of a firm, in which the provider (the internal supplier) is charged with responding to his/her internal customer".

For the purpose of this study, internal service quality is defined as the level of service quality provided to frontline employees during internal service encounters, amidst the interaction of the service organisation, staff from internal departments and the frontline employee.

Importance

Academic research in the area of internal service quality as a necessary precursor to external service quality, is not limited to the Service-Profit Chain (Section 2.3.1.2). Linkage research within this domain indicates that internal service quality has a positive impact on the following:

- Employee satisfaction (Hallowell, Schlesinger & Zornitsky (1996; Jun & Cai, 2010; Wang, 2012; Osahon & Kingsley, 2016);
- Employee perceptions of service quality (Magento & Luke, 2019);
- Frontline employee service performance (Varey 1995; Voss, Calantone, & Keller, 2005);
- Organisational performance (Srivastaca & Prakash, 2019);
- Employee performance (Sharma, Kong & Kingshot, 2016; Singh, 2016);
- External customer service quality (Bouranta, Leonidas & Paravantis, 2009; Conduit & Mavando, 2001; Ganic *et al.*, 2017; Almohaimmeed, 2019); and
- Financial performance (Voss *et al.*, 2005).

While linkage research reflects positive correlations between internal service quality and numerous linkages within the service-profit chain, Bowen and Johnston (1999)

place special emphasis on the importance of internal service quality from internal suppliers to the frontline employees of an organisation. They emphasise this point of the chain due to the fact that external customers rely largely on an organisation's frontline employees, when receiving service from that organisation. Voss *et al.* (2005) reinforce this, stating that internal service processes include simplified standard operations, procedures and activities, which ultimately support the frontline business functions that interact directly with customers.

Of importance, the provision of poor service quality by internal suppliers to frontline employees, in turn, may have the effect of poor service quality being delivered to external customers. Bouranta, Chitiri and Paravantis (2009:276) cite an appropriate example, stating that "a bank teller cannot serve customers in his or her queue fast and efficiently, if information technology personnel fail to provide the teller with high quality computer system support". Voss et al. (2005) take cognisance of these possible chain reactions and caution against departments having an isolated view of their role in the total service delivery process, with little regard for how a department's output might affect others that consume services downstream.

This section elaborated on internal service quality by providing a conceptual overview and considering its importance. The next section focuses on service climate.

2.3.3 Service climate

Service climate is the second of three antecedents to frontline employee service quality considered in this study. This section elaborates on service climate by providing a conceptual overview and investigating its importance.

Overview

Evans (2017:430) expounds on the relationship between organisational culture and climate. Evans defines organisational culture as "the set of beliefs and values shared by people in an organisation" and states further that organisations have one overall culture, but many underlying climates. Within an organisational culture, there may be a climate for quality, climate for safety, and a climate for ethics, each of which is driven by different management practices and policies.

Liao and Chuang (2004) comment on the relevance of climates, stating that the respective climates explain significant variances in specific behaviour outcomes. Salancik and Pfeffer (1978) elaborate, noting that how people think and feel about

certain aspects of their environment, will influence how they behave. This results in employees relying on “cues from their surrounding working environments to interpret events, develop appropriate attitudes, and understand expectations concerning their behaviour and its consequences” (Liao & Chuang, 2004:45)

For the purpose of this study, service climate is considered in the context of service quality to customers. As with other climates, Dietz, Pugh and Wiley (2004) note that service climate is a specific subset of an organisation’s overall culture. When excellent service towards customers is a characteristic of an organisation, then a positive service climate exists (Mechinda & Patterson, 2011). A positive service climate may assist employees to perceive that superior service is expected, desired, and rewarded, consequently providing a strong motivational force for employees to deliver better service (Liao & Chuang, 2004).

In their seminal work, Schneider, White and Paul (1998) tested a causal model of service quality, and differentiated between the foundation issues related to a service climate and the dimensions/facets of a service climate:

- Foundation issues include the fundamental support provided by organisations, through resources, training and managerial practices.
- The facets of a service climate include customer orientation (efforts by the organisation to meet customer needs and expectations), customer feedback (efforts by the organisations to use feedback from customers) and managerial practices (actions by the organisations to support and reward the quality service).

In summary, Schneider *et al* (1998) note that the existence of foundation issues, in effect, provides the basis for the facets of a service climate to be implemented. Together, they yield a service climate, which focuses the efforts and competencies of service employees on delivering service quality, which in turn, yields positive experiences for customers.

Schneider *et al* (1998:151) define service climate as “the shared perceptions of employees concerning the practices, procedures, and kinds of behaviours that get rewarded and supported, with respect to customer service and service quality”.

For the purpose of this study, service climate is defined as the level to which frontline employees perceive their retail banking outlet to apply the practices, procedures and

kind of behaviours that are rewarded with regards to customer service and service quality.

Importance

Services cannot be standardised to the same extent as products on a manufacturing assembly line. This is due to the impact of human behaviour in the buyer-seller interaction during service encounters. As behaviour cannot be totally standardised or predetermined, a distinct service climate is needed to advise employees how to respond to new, unforeseen and even awkward situations (Grönroos, 2015).

Service climate theory suggests that when employees perceive their organisation to be demonstrating concern for both their employees and customers, employees are more likely to provide quality service to customers (Burke, Borucki & Hurley, 1992; Boruchki & Burke, 1999). This translates to more satisfied customers, who are more likely to return to the organisation (Salanova *et al.*, 2005).

The importance of the elements of service climate to customers and employees has been demonstrated in various studies. Service climate has been found to have a positive relationship with the following:

- Employee engagement (Kang & Busser, 2018);
- Employee commitment (Lux, Jex & Hanses, 1996);
- Store-level service quality (Johnson, 1996; Schneider *et al.*, 1998);
- Employee service performance (Borucki & Burke, 1999; Liao & Chuang, 2004; Mokhtaran, Meysam, Jalilvand & Mohebi, 2015; Wang, 2015; Osman, Saha & Alam, 2017);
- Customers' perceptions of service quality (Schneider *et al.,* 1998);
- Customer satisfaction (Rogg, Schmidt, Shull & Schmitt, 2001; Johnston, Sharma & Spinks, 2013);
- Customer loyalty (Wang, 2015); and
- Empowering leadership (Yagil & Gal, 2002).

This section expounded on service climate by providing a conceptual overview and considering its importance. The next section discusses frontline employee satisfaction.

2.3.4 Frontline employee satisfaction

Frontline employee satisfaction is the third of the antecedents to frontline employee service quality considered in this study. This section elaborates on frontline employee satisfaction by providing a conceptual overview and investigating its importance.

Overview

Evans (2017) notes that business has learned that in order to satisfy customers, they must first satisfy their employees. Evans states that similar relationships have been found in academic research, for example, a drop in employee satisfaction scores at FedEx preceded a drop in customer satisfaction by approximately two months.

Employee satisfaction is often referred to as job satisfaction. Wang (2012) notes that in terms of the existing literature, the two concepts are seen as synonymous. For the purpose of this study, the term employee satisfaction will be used.

Definitions of employee satisfaction differ, in that some reflect a multifaceted view, while others reflect a generalised/global view. In terms of the multifaceted view, numerous factors can influence employee satisfaction (Brown & Peterson, 1994; Parvin & Kabir, 2011). It can be influenced by pay, benefits, advancement opportunities, fairness, working conditions, leadership, social relationships (with supervisors, co-workers and customers) and the job itself (tasks, interest and challenges). In terms of the generalised view, employee satisfaction is considered from a broader point of view. For example, Carlino and DeFina (1995) consider employee satisfaction as the general attitude an employee holds toward his/her duties. Locke (1976:300) considers an employee's satisfaction as "a general pleasurable or positive emotional state, resulting from the appraisal of one's job or job experiences".

In light of the primary objective of this study investigating the antecedents to frontline employee service quality (as opposed to the antecedents to frontline employee satisfaction), this study considers frontline employee satisfaction from a generalised perspective. Hartmann, Rutherford, Feinberg and Anderson (2014) explored the relationships between employee satisfaction and outcomes, discovering that both multifaceted employee satisfaction and generalised employee satisfaction impact outcomes in a similar manner. Of course, multifaceted studies offer the additional benefit of identifying which facets of employee satisfaction might be significant predictors of outcomes.

For the purpose of this study, frontline employee satisfaction is defined as the level of the general emotion, state, or attitude of frontline employees, resulting from their own appraisal of their jobs or job experiences.

Importance

As elaborated in Section 2.3.1.2, the Service-Profit Chain emphasises the importance of frontline employee satisfaction as a precursor to frontline employee service quality. Amongst linkage academic research in this domain, employee satisfaction has been found to have a positive impact on the following:

- Employee loyalty (Esmaeilpour & Ranjbar, 2018);
- Employee performance (Rubel & Kess, 2014; Sharma *et al.*, 2016);
- External service quality (Hallowell *et al.*, 1996; Newman, Maylor & Chansarkar, 2001; Gazzoli, Hancer & Park, 2010; Kermani, 2013); and
- Customer satisfaction (Newman *et al.*, 2001; Kermani, 2013).

Liao and Chuang (2007) explain the reasons why employee satisfaction is an important predictor of frontline employee service quality. These are summarised in Table 2.2.

Table 2.2: Frontline employee satisfaction as a predictor of frontline employee service quality

Reason	Explanation
The non-standard nature of services	The complex and non-standard environment in which frontline employees exercise autonomy as to what behaviours they should undertake to best serve customers' diverse needs, results in an uncertain, 'weak' situation. Within this situation, job satisfaction has the strong potential to affect behaviours (Liao & Chuang, 2007)
The need for positive emotions	In the light of customers seeking rapport, emotional bonding and socially desired emotions during service encounters (Hochschild, 1983; Berry, 1995, in Liao & Chuang, 2007), employees who are more satisfied with their job are more likely to have positive moods and emotions. Consequently, they are more likely to display genuinely positive emotions while interacting with customers.
The need for problem-solving	In the light of positive moods being associated with creative problem-solving (Isen & Baron, 1991, in Liao & Chuang, 2007), employees who are satisfied in their job are more likely to generate new ideas to customise their service delivery.

Source: Compiled by the researcher

This section focused on frontline employee satisfaction by providing a conceptual overview and considering its importance.

Section 2.3 expanded on the four constructs considered in this study. The next section elaborates on the measurement of the four constructs considered in this study.

2.4 MEASURING THE CONSTRUCTS IN THIS STUDY

This section reviews the four constructs considered in this study, namely, frontline employee service quality, internal service quality, service climate and frontline employee satisfaction, in terms of the measurement of these constructs.

A measuring instrument is selected for each construct to inform the adapted instrument used in this study. While this section focuses on the selection of these instruments, Section 3.3 in Chapter 3 outlines the adaptation of the instruments for measurement in a retail banking context, from the perspective of frontline employees.

The first construct considered is frontline employee service quality.

2.4.1 Measurement of frontline employee service quality

This section elaborates on self-evaluation as a method for measuring service quality, and then considers the literature relating to the measurement of this construct.

2.4.1.1 Self-evaluation of frontline employee service quality

Behrman and Perreault (1982) advocate four methods to measure service quality, namely, self-evaluation, peer evaluation, supervisory evaluation and consumer evaluation. This study adopts the self-evaluation approach, which measures frontline employee service quality as perceived by the frontline employees themselves.

Several studies have effectively adopted the self-evaluation approach in measuring service quality, and testing correlations (Schneider *et al.*, 1980; Ulrich, Richard, Dave, Mark & Thorpe, 1991; Jaworski & Kohli, 1991; Boshoff & Mels, 1995; Iverson, McLeod & Erwin, 1996; Boshoff & Tait, 1996; Boshoff & Allen, 2000; Sergeant & Frenkel, 2000; Singh, 2000; Ramseook-Munhurrun, Naidoo & Lukea-Bhiwajee, 2010; Mageto & Luke, 2019).

Amongst the arguments for using self-evaluation to measure the service quality of frontline employees (Steers & Porter, 1991; Boshoff & Mels, 1995; Sergeant & Frenkel, 2000; Dolen *et al.*, 2002; Wu *et al.*, 2015), are the following:

- The perceptions of frontline employees drive behaviour, and consequently are important;
- Frontline employees have a greater awareness of the challenges faced by customer interaction;
- Frontline employees are well placed to effectively judge the quality of services they deliver, in light of this service resulting from their own interaction with customers.

Prior research lends substantial support towards employee self-evaluation (Pym & Auld, 1965; Churchill, Ford, Hartley & Walker, 1985; Boshoff & Mels, 1995). Among these, several studies have tested the correlation between customers' perceptions of service quality and frontline employees' perceptions of service quality, and have found positive correlations (Schneider, Parkington & Buxton, 1980; Schneider & Bowen, 1985; Tornow & Wiley, 1991; Paulhus & Bruce, 1992; Schneider & Bowen, 1993).

Other research, however, criticises the self-evaluation approach. Self-evaluations have been considered inflated (Parker, Taylor, Barrett & Martens, 1959), demonstrated greater leniency (Thornton, 1980), and can be contaminated by subjective biases (Brown & Swartz, 1989).

Singh (2000:31) argues, "on the basis of several studies and meta-analyses", that "performance self-reports are more likely to bias the mean values, but less likely to bias their correlations with other constructs". Behrman and Perreault (1982) and Singh (2000) argue further that these biases can be substantially reduced, and the validity of self-report measures enhanced, by using anonymous questionnaires, which curtail the motivation for self-presentation. Chapter 3, Section 3.9, highlights the care taken during the design and administration of the measuring instrument to ensure respondent anonymity and the awareness related thereto.

This sub-section addressed self-evaluation as a method for measuring service quality. The next sub-section considers the literature relating to the measurement of frontline employee service quality.

2.4.1.2 Measurement of frontline employee service quality

Grönroos (2015) asserts that service providers that have insight into how customers evaluate service quality, can influence consumer evaluations in the desired direction. Palmer (2014) notes that the challenge remains in identifying how customers evaluate

service quality. As noted in Chapter 1, Table 1.1, in the past three decades, numerous studies have attempted to discover how service quality is evaluated.

Among these studies, the work of Parasuraman *et al.* (1988) has been regarded as most prominent and is considered to be seminal. In their SERVQUAL measuring instrument, Parasuraman *et al.* (1988) uncovered five dimensions of service quality, generic and relevant to services in general, which customers use to form their judgements of service equality. Table 2.3 lists and describes these dimensions.

Table 2.3: SERVQUAL dimensions for service quality

Dimension	Description
Tangibles	The service provider's physical facilities, equipment, personnel and communication materials (Parasuraman *et al.,* 1988; Kotler, 2000).
Reliability	The ability of the service provider to do what it has promised, and perform the service dependably and accurately (Parasuraman *et al.,* 1988; Kotler, 2000).
Responsiveness	The willingness and determination of the service provider to help the customers and provide quick services (Parasuraman *et al.,* 1988; Kotler, 2000; Alzola & Robaina, 2005).
Assurance	The knowledge and courtesy of the service provider's personnel and their ability to inspire trust, confidence and credibility in the customers (Parasuraman *et al.,* 1988; Kotler, 2000; Alzola & Robaina, 2005).
Empathy	The individualised attention and care that the service provider offers to its customers (Parasuraman *et al.,* 1988; Kotler, 2000; Alzola & Robaina, 2005).

Source: Compiled by the researcher

While the original SERVQUAL instrument was designed to measure service quality from the perspective of customers, Foster (2017) notes how SERVQUAL can also be used to explore the perceptions of service quality from customers, managers and employees. Accordingly, SERVQUAL can be used within an organisation, across branches of an organisation, or across organisations, to diagnose areas requiring improvement (Lewis, 2007; Palmer, 2014; Foster 2017).

Foster (2017) described some of the advantages of the SERVQUAL measuring instrument, as follows:

- It is an accepted standard for assessing different dimensions service quality;
- It has been proven as valid for a variety of service institutions;

- It has been proven as reliable and has only 22 items which can be completed speedily by the respondents; and
- SERVQUAL can be used across a wide range of industries and can be modified to suit an organisation's specific requirements (Lewis, 2007; Palmer, 2014; Foster 2017).

However, the SERVQUAL instrument has received some criticism. Lee (2005) notes that although SERVQUAL has been adopted in many studies, it has also been questioned. Bicheno and Catherwood (2005) point towards research indicating that the SERVQUAL dimensions and weightings cannot be assumed to apply to all cultures throughout the world. In addition, they refer to timeliness, availability and condition, noting that these dimensions are absent within the instrument. The instrument is also criticised by Swart (2006) for its scoring approach and dimensionality.

Despite criticisms of the instrument, the SERVQUAL model is widely used in measuring service quality in different sectors of the economy (Savic & Veselinovic, 2019). Barnes (2007) refers to evidence that SERVQUAL is a tried-and-tested instrument that has been applied successfully in a range of service industries and emphasises that its strengths more than outweigh its weaknesses. The evidence of this is seen in the fact that SERVQUAL is still presented as a suitable instrument for measuring service quality in recent textbooks teaching marketing and quality management (Johnston & Clark, 2012; Fitzsimmons *et al.*, 2014; Palmer, 2014; Grönroos, 2015; Collier & Evans, 2017; Evans, 2017; Foster, 2017; Slack, Brandon-Jones, Johnson, Singh & Phihlela, 2017).

Of relevance to the present study, SERVQUAL has been adapted in a number of studies to measure service quality from the perspective of employees (Boshoff & Mels, 1995; Boshoff & Tait, 1996; Hartline & Ferrell, 1996; Mukherhee & Malhotra, 2006).

For the present study, SERVQUAL was selected to inform the adapted instrument used in this study. While the original SERVQUAL instrument was designed to assess the gap between customers' perception and expectations of the service delivery, the present study used perception-only measures, due to their higher predictive accuracy (Parasuraman *et al.,* 1994).

Table 2.4 presents the original SERVQUAL measuring instrument (Parasuraman *et al.* (1988) with its five dimensions and 22 measurement items, along with the relevant

reliability scores obtained in the original study. The response cues used in the instrument ranged from strongly disagree (1) to strongly agree (7).

Table 2.4: Measurement of service quality using SERVQUAL

Tangibles (*Dimension reliability: 0.72*)
1. XYZ has up to date equipment
2. XYZ's facilities are visually appealing
3. XYZ's employees are well dressed and appear neat
4. The appearance of the physical facilities of XYZ is in keeping with the type of services provided
Reliability (*Dimension reliability: 0.83*)
1. When XYZ promises to do something by a certain time, it does so
2. When you have problems, XYZ is sympathetic and reassuring
3. XYZ is dependable
4. XYZ provides its services at the time it promises to do so
5. XYZ keeps its records accurately
Responsiveness (*Dimension reliability: 0.82*)
1. XYZ does not tell customers exactly when services will be performed
2. You do not received prompt services from XYZ's employees
3. Employees of XYZ are not always willing to help customers
4. Employees at XYZ are too busy to respond to customer requests promptly
Assurance (*Dimension reliability: 0.81*)
1. You can trust employees of XYZ
2. You feel safe in your transactions with XYZ's employees
3. Employees of XYZ are polite
4. Employees get adequate support from XYZ to do their jobs well
Empathy (*Dimension reliability: 0.86*)
1. XYZ does not give you individual attention
2. Employees of XYZ do not give you personal attention
3. Employees of XYZ do not know what your needs are
4. XYZ does not have your best interests at heart
5. XYZ does not have operating hours convenient to all their customers
Total scale reliability across five dimensions: 0.92

Source: Parasuraman *et al.* (1988)

While the SERVQUAL items refer to the organisation under measurement as XYZ, the wording within the items bears reference to the interacting elements which have an

influence on XYZ's service quality. Amongst these interacting elements, are XYZ's tangibles, employees and customers.

In a refinement study of the SERVQUAL instrument by Parasuraman *et al.* (1991), two of the original items, one under Tangibles and one under Assurance, were replaced with two new items which the authors felt were a better representation of these dimensions.

Item 4, under Tangibles (Table 2.4) was replaced with "The materials associated with the service (such as pamphlets or statements) are visually appealing at XYZ". The authors motivate this change on the basis that the old item was felt to be confusing and redundant, and that the new item covered a fundamental aspect (communication materials) which was not covered in the original instrument.

Item 4, under Assurance (Table 2.4) was replaced with "Employees of XYZ have the knowledge to answer your questions". The authors motivate this change on the basis that customers could more meaningfully evaluate the knowledge of frontline employees, than the 'behind-the-scenes' support which frontline employees receive from their organisation. In addition, the original instrument had no item focused directly on employee knowledge.

Another refinement was that all negatively worded items were changed to a positive format. In light of the improved validity and reliability of the Parasuraman *et al.* (1991) study, these changes were included in the adapted measuring instrument for this study (Chapter 3, Section 3.4.1).

This section discussed the measurement of frontline employee service quality, and selected the SERVQUAL measuring instrument to inform the adapted instrument to measure frontline employee service quality in terms of this study. The next section elaborates on the measurement of internal service quality.

2.4.2 Measurement of internal service quality

Zeithaml *et al.* (1990) proposed that the SERVQUAL, with appropriate modifications, can be used to measure the quality of services provided to employees by departments within the organisation. In support of this proposition, Palmer (2014) explains that the interaction between the company and the customer is simply one link within an extensive network of relationships, and that many of these links occur within the

internal boundaries of the company. Consequently, the principles and techniques used for the creation and measurement of service quality can be transferred to the internal environment.

Kang, James and Alexandris (2002) set out to modify the SERVQUAL instrument to measure internal service quality, and to empirically test its appropriateness. They maintained the five dimensions and 22 items, as originally developed by Parasuraman *et al.* (1988), but modified the 22 items to measure internal service quality. They termed their measuring instrument the Internal Service Quality Battery (ISQB). Using confirmatory factor analysis, Kang *et al.* (2002) found that all five dimensions reflected satisfactory reliability scores, and were distinct and conceptually clear.

Frost and Kumar (2000) also set out to modify the SERVQUAL instrument to measure internal service quality, and to verify its validity and reliability. They termed their modification, the INTSERVQUAL instrument. While the original SERVQUAL instrument included 22 items, their instrument contained two extra items which were deemed appropriate for measuring internal service quality of frontline staff in the airline industry. One item was discarded during confirmatory factor analysis, resulting in a 23-item measuring instrument, which reflected satisfactory reliability scores across all five dimensions.

Based on the satisfactory modifications of Frost and Kumar (2000) and Kang *et al.* (2002), the SERVQUAL instrument was selected to inform the adapted instrument to measure internal service quality in the present study. Table 2.5 reflects a summary of the relevant reliability scores of the SERVQUAL adaptations to measure internal service quality, as reported by Frost and Kumar (2000) and Kang *et al.* (2002).

Table 2.5: Measurement of internal service quality using SERVQUAL adaptations

Dimensions	Frost and Kumar (2000)	Kang *et al.* (2002)
	Cronbach's alpha	***Cronbach's alpha***
Tangibles	0.8591	0.964
Reliability	0.8938	0.982
Responsiveness	0.9159	0.967
Assurance	0.8059	0.960
Empathy	0.8969	0.981
Total scale reliability	0.9560	0.98

Source: Compiled by the researcher

This section elaborated on the measurement of internal service quality, and selected the SERVQUAL measuring instrument to inform the adapted instrument to measure internal service quality in terms of this study. The next section elaborates on the measurement of service climate.

2.4.3 Measurement of service climate

Bagozzi (1992) notes that service climate depends on the perceptions of individual employees, and is measured in terms of perceptions that are psychologically meaningful to the individual, rather than concrete organisational features.

Service climate can be investigated or measured in terms of 'global service climate', or the 'dimensions of service climate'. Global service climate is distinguished from the dimensions of service climate as a "summary measure of the organisation's climate for service" (Schneider *et al.*, 1998:157). Schneider *et al.* (1998) demonstrated that global service climate was significantly related to each of the three dimensions: customer orientation, managerial practices and customer feedback, with the strongest link to customer orientation. Although global service climate addresses many of the same issues as the three dimensions of service climate, it is "not a composite of the three scales", but rather it is its own distinct scale designed to tap the 'polar' aspect of service climate (Schneider *et al.*, 1998:157).

The seven-item global service climate measuring instrument developed by Schneider *et al.* (1998) reflected satisfactory reliability scores and has been used successfully in various other studies (Liao & Chuang, 2004; Little & Dean, 2006; Steinke, 2008; Ehrhart *et al*., 2011).

Based on the satisfactory reliability scores achieved by Schneider *et al.* (1998), the seven-item global service climate instrument was selected to inform the adapted instrument to measure service climate for the purpose of the present study.

Table 2.6 (on the next page) reflects the original global service climate measuring instrument (Schneider *et al.,* 1998), with its seven measurement items, along with the relevant reliability score obtained. The response cues used in the instrument ranged from Poor (1) to Excellent (7).

Table 2.6: Measurement of service climate

Global Service Climate *Construct reliability: 0.91 (*Schneider *et al.*, 1998)
1. How would you rate the job knowledge and skills of employees in your organisation to deliver quality work and service?
2. How would you rate efforts to measure and track the quality of the work and service in your organisation?
3. How would you rate the recognition and rewards employees receive for the delivery of superior work and service?
4. How would you rate the overall quality of service provided by your organisation?
5. How would you rate the leadership shown by management in your organisation in supporting the service quality effort?
6. How would you rate the effectiveness of your organisations communications efforts to both employees and customers?
7. How would you rate the tools, technology, and other resources provided to employees to support the delivery of superior quality work and service?

Schneider *et al.* (1998).

This section detailed the measurement of service climate and selected the seven-item global service climate measuring instrument to inform the adapted instrument to measure service climate for the purpose of this study. The next section elaborates on the measurement of frontline employee satisfaction.

2.4.4 Measurement of frontline employee satisfaction

The previous section differentiated between the multifaceted and generalised/global view of employee satisfaction and provided motivation for this study adopting the generalised view.

While multifaceted studies measure employee satisfaction in terms of its separate facets, generalised studies measure employee satisfaction globally, with no division into separate facets (Hackman & Oldham, 1976; Bagozzi, 1980).

Brayfield and Rothe (1951) developed an 18-item measure of job satisfaction, developed on the basis that job satisfaction can be inferred from an individual's attitude towards his/her work. Fields (2002) summarised this measurement instrument, noting that it includes questions on the degree to which a respondent is bored, interested,

happy, enthusiastic, disappointed, or enjoying work. These questions centre not on specific appraisals about job conditions, but on the emotional reactions to the work.

Price and Mueller (1981) adapted Brayfield and Rothe's (1951) original 18-item scale that was used to measure job satisfaction into a shortened six-item scale which measures global employee satisfaction. Previous research has provided evidence for the six-item scale's validity and reliability (Agho, Price & Mueller, 1992; Brooke, Russell & Price, 1988; Aryee, Fields & Luk, 1999).

Based on the satisfactory reliability scores achieved by these authors, the six-item adaptation of the Brayfield and Rothe (1951) measuring instrument was selected to inform the adapted instrument to measure service climate for the purpose of the present study.

Table 2.7 reflects the global employee satisfaction measurement instrument, with its six measurement items, along with the relevant reliability scores obtained. The response cues used in these studies ranged from strongly disagree (1) to strongly agree (5).

Table 2.7: Measurement of employee satisfaction

Global employee satisfaction *Construct reliability:* 0.90 (Agho *et al*., 1992) 0.808 (Brooke *et al*., 1988) 0.83 (Aryee *et al*., 1999)
1. I find real enjoyment in my job
2. I like my job better than the average person
3. I am seldom bored with my job
4. I would not consider taking another kind of job
5. Most days I am enthusiastic about my job
6. I feel fairly well satisfied with my job

Source: Compiled by the researcher

This section elaborated on the measurement of frontline employee satisfaction, and selected the six-item global employee satisfaction measuring instrument to inform the adapted instrument to measure frontline employee satisfaction for the purpose of this study. The next section concludes the literature study chapter.

2.5 CONCLUSION

Secondary objectives 1 to 4 set out to measure and analyse the four constructs considered in this study, namely, internal service quality, service climate, frontline employee satisfaction and frontline employee service quality. This chapter assists towards the attainment of secondary objectives 1 to 4 as explained below.

In Section 2.2, frontline employee service was positioned in the context of retail banking and service-type operations. This was done in order to contextualise frontline employee service within retail banking, and consequently to obtain an understanding of the relevance of the four constructs within this study.

In Section 2.3, each of the four constructs in this study was reviewed with the aid of relevant literature, in order to obtain an understanding of the constructs.

In Section 2.4, the literature was investigated pertaining to the measurement of these constructs. For each of the four constructs, measuring instruments were selected to inform the adapted instruments used in this study.

The next chapter, Chapter 3, describes the research methodology used in this study.

CHAPTER 3:
RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 1 provided a background on the SA banking industry, the intensity of competition, and the growing need for banks to compete for the attention and loyalty of customers. In the context of SA banks, where service quality is an ongoing issue, Chapter 1 also presented the primary objective of this study, namely, 'to investigate the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to frontline employee service quality in a South African retail bank'.

The previous chapter, Chapter 2, positioned frontline employee service in the context of retail banking and service type operations. It also elaborated on the four constructs considered in this study, as well as the measurement of these constructs, with the aid of relevant literature. Furthermore, Chapter 2 addressed the selection of appropriate measuring instruments to inform the adapted instruments to be used in this study.

This chapter, Chapter 3, presents the research methodology employed in the current research study. Saunders, Lewis and Thornhill (2016) describe the research methodology as the theory of how research should be undertaken. The framework presented in Figure 3.1 illustrates how the research was undertaken in this study.

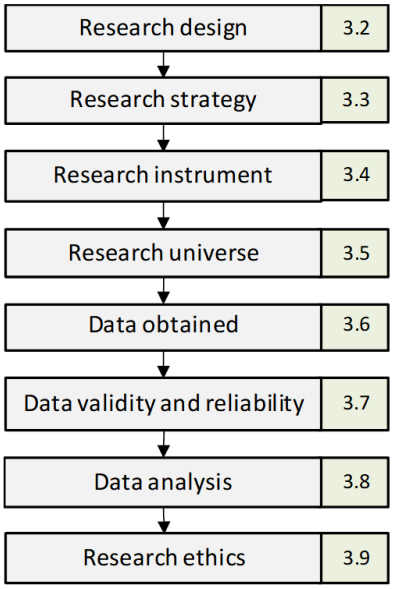


Figure 3.1: Research framework

Source: Compiled by the researcher

Figure 3.2 provides an overview of the structure of Chapter 3. It originates from the framework in Figure 3.1 and reflects the headings and sub-headings used.

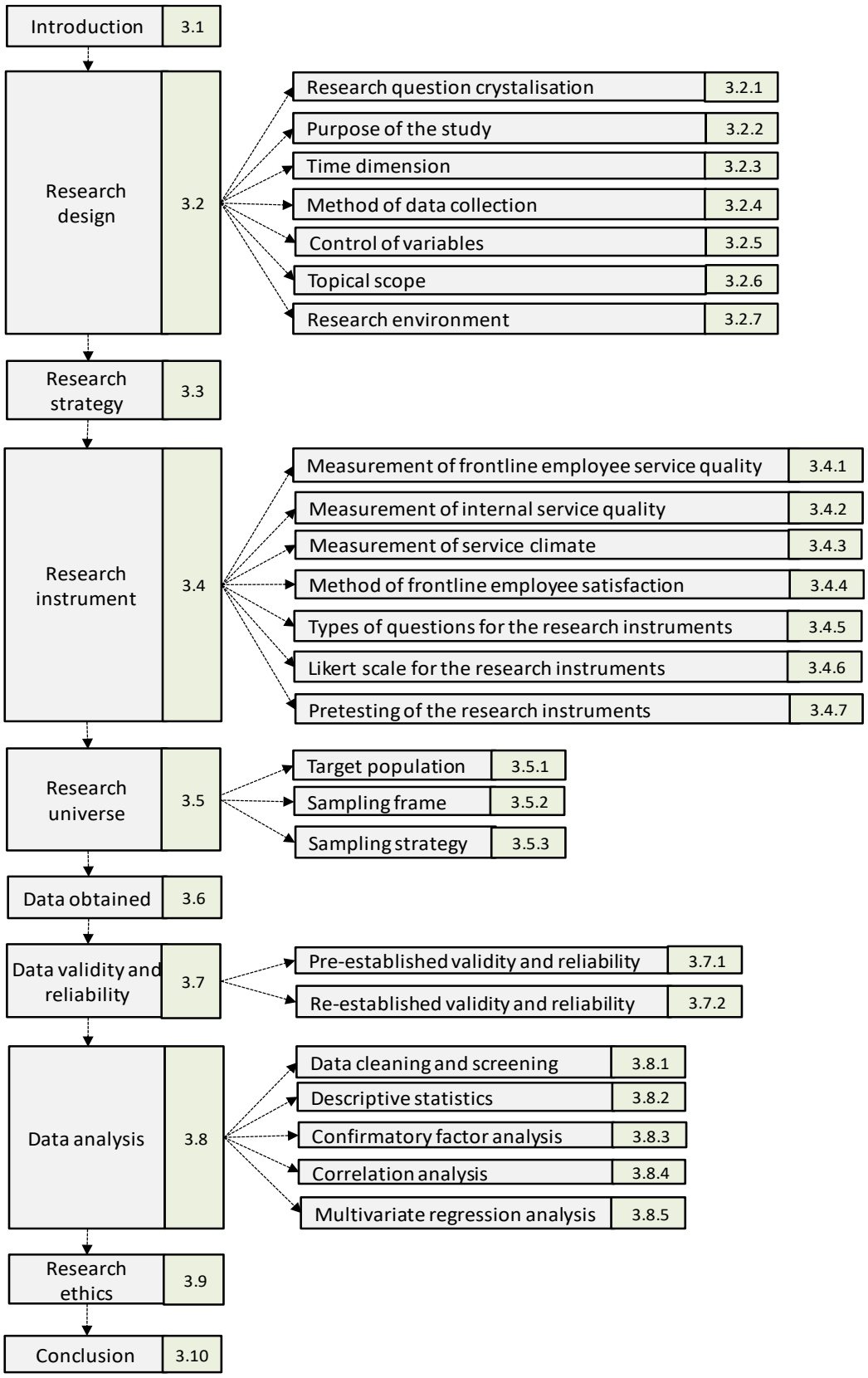


Figure 3.2: Conceptual framework for Chapter 3

Source: Compiled by the researcher

3.2 RESEARCH DESIGN

Saunders *et al.* (2016) describe the research design as the general plan regarding the way the researcher will answer the research question. Salkind (2018:262) describes the term 'research design' as a "method and structure of an investigation chosen by the researcher to conduct data collection and analysis". In light of there being no simple system for classifying the selection of a specific design, Cooper and Schindler (2014) suggest a number of descriptors, which assist in clarifying the research design. These include:

- research question crystallisation;
- purpose of the study;
- time dimension;
- method of data collection;
- control of variables;
- topical scope; and
- research environment.

These descriptors will be used in this section to clarify the research design of this study. The first three descriptors are clarified with the aid of a breakdown of research designs by Malhotra and Birks (2007), as reflected in Figure 3.3. The shaded blocks in the figure highlight the selected designs in terms of research question crystallisation (3.2.1), purpose of the study (Section 3.2.2) and the time dimension (Section 3.2.3).

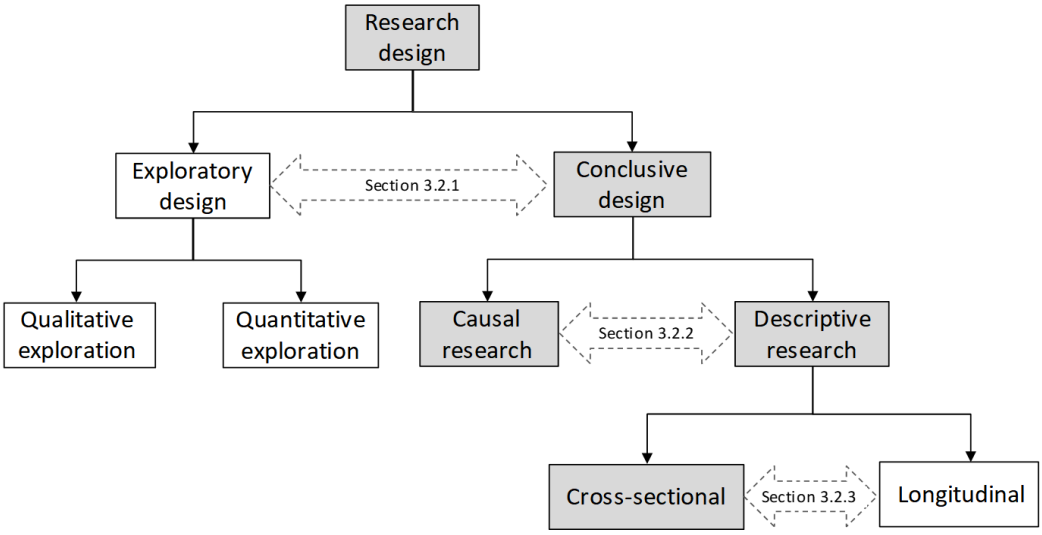


Figure 3.3: Classification of research designs

Source: Adapted from Malhotra and Birks (2007)

The indicated descriptors are discussed below as applicable to the current study.

3.2.1 Research question crystallisation

The shaded blocks in Figure 3.3 categorise this study as conclusive. While hypotheses and/or research questions are typically developed from exploratory studies, conclusive studies typically begin with these hypotheses and/or research questions, and test them through precise procedures and data source specifications (Malhotra & Birks, 2007; Cooper & Schindler, 2014).

Malhotra and Birks (2007) summarise conclusive designs in terms of their objectives, characteristics and methods. Based on these summaries, Table 3.1 motivates why this study is classified as conclusive.

Table 3.1: Motivations for selection of conclusive design

	Conclusive design	Motivation for selection in this study
Objectives	To measure (through the testing of hypotheses and examining of relationships)	Chapter 1, Section 1.5 outlines the six hypotheses which emerge from the research question.
Characteristics	Information needed is clearly defined	The information required is frontline employees' perceptions relating to the four constructs being measured, namely, frontline employee service quality; internal service quality; service climate and frontline employee satisfaction.
	Research process is formal and structured	The research process follows a structured and predetermined plan.
	Sample is large and aims to be representative	The sample size of 581 frontline employees is above the minimum required for the relevant population size, and is deemed to be representative of the population.
	Data analysis is quantitative	The data analysis is quantitative.
Methods	▪ Surveys ▪ Secondary data ▪ Databases ▪ Panels ▪ Structured observations ▪ Experiments	The data-collection method for this study is a survey.

Source: Adapted from Malhotra & Birks (2007)

3.2.2 Purpose of the study

Further to the study being categorised as conclusive, the shaded blocks in Figure 3.3 categorise the purpose of the study as both descriptive and causal.

The objective of descriptive research is to describe the specific research domain that has been selected, and to do so accurately and thoroughly (Wiid & Diggines, 2009). For the purpose of this research, the four constructs constitute the four research domains. This aspect of the study is classified as descriptive, and meets secondary objectives 1 – 4.

Cooper and Schindler (2014) describe a specific sub-set of descriptive studies, labelled descriptive correlational studies, in which the objective of the research is to discover associations among different variables. For the purpose of this research, the interrelationships between the four constructs will be measured. This aspect of the study is classified as descriptive correlational, and meets secondary objective 5.

While descriptive correlational studies discover associations among variables, causal research describes these relationships further, by showing the direction, cause, or nature or the relationships (Malhotra & Birks, 2007; Wiid & Diggines, 2009). For the purpose of this study, the influences of service climate, internal service quality and frontline employee satisfaction, on frontline employee service quality, were measured using multivariate regression analysis. This aspect of the study is classified as causal, and meets the primary objective of this study.

3.2.3 Time dimension

Further to this study being categorised as descriptive and casual, the shaded blocks in Figure 3.3 categorise this study as cross-sectional. Malhotra and Birks (2007) distinguish between two types of descriptive research designs, namely, cross-sectional designs and longitudinal designs. While cross-sectional studies describe a sample at a particular point in time, longitudinal studies describe a sample over an extended period, at multiple points in time.

In light of this study investigating the perceptions of frontline employees in Bank A, regarding the four constructs, during the period of November and December 2017, the study is classified as cross-sectional.

3.2.4 Method of data collection

Cooper and Schindler (2014) distinguish between the collection of primary data via monitoring, or communication. While monitoring involves the researcher inspecting a subject, without attempting to elicit responses, communication involves the research questioning the subject in order to elicit a response, personally or impersonally, with the aid of a self-reporting instrument.

In light of this study requiring the perceptions of frontline employees, the study followed a communication approach, in which primary data was collected, impersonally, by means of a questionnaire.

3.2.5 Control of variables

Cooper and Schindler (2014) distinguish between experimental and *ex post facto* designs. While experimental designs involve the researcher attempting to control and/or manipulate the relevant variables, in *ex post facto* approaches, the researcher has no control over the variables in terms of possible manipulation.

For the purpose of this study, frontline employees were investigated in terms of their perceptions relating to the four constructs, without any control and/or manipulation over these constructs. Accordingly, the present study adopted an *ex post facto* design.

3.2.6 Topical scope

Cooper and Schindler (2014) distinguish between statistical studies and case studies. While statistical studies are designed to make inferences from a sample's characteristics, case studies offer an in-depth contextual analysis of fewer events or conditions, and their interrelationships. Case studies may be used, not only for exploratory, but also for descriptive and statistical purposes. A descriptive case study is likely to use a deductive approach, testing the applicability of theoretical propositions, in order to build and verify an explanation (Saunders *et al.*, 2016).

For the purpose of this study, a descriptive statistical single case study approach was adopted, testing six research hypotheses. Although conducted from the perspective of frontline employees at retail branches, the respective constructs comprise a focus on retail branches and centralised internal departments.

3.2.7 Research environment

Cooper and Schindler (2014) differentiate between designs which take place under field conditions and designs which take place under laboratory conditions. In field conditions, research would typically take place in the actual work environment, while in laboratory conditions, research would take place under manipulated conditions.

In light of Bank A's retail branch frontline employees completing the questionnaire in their actual workplace, the research took place in field conditions.

Section 3.2 focused on the research design of this study by discussing the seven research design descriptors, as suggested by Cooper and Schindler (2014). Table 3.2 provides a summary the research design, as per these descriptors.

Table 3.2: Descriptors of the research design

Descriptors of research design	Classification in this study	Discussed in section
Classification of research design	Conclusive	3.2.1
Purpose	Descriptive and causal	3.2.2
Time dimension	Cross-sectional	3.2.3
Method of data collection	Communication approach, collecting primary data with the aid of a survey.	3.2.4
Control of variables	*Ex post facto*	3.2.5
Topical scope	Descriptive statistical case study	3.2.6
Research environment	Field conditions	3.2.7

Source: Compiled by the researcher

The next section, as per the research framework illustrated in Figure 3.1, discusses the research strategy applicable to the current study.

3.3 RESEARCH STRATEGY

Denzin and Lincoln (2017) point out that the research strategy connects researchers to specific methods for collecting and analysing the data.

This study employed a survey design, using a structured questionnaire, administered as an internet survey. Respondents were invited to participate via an email which

contained an electronic link to the survey. This strategy was considered appropriate for the following reasons, as summarised in Table 3.3:

Table 3.3: Reasons for suitability of research strategy

Advantage	Explanation
Consistency in data obtained	The use of a structured questionnaire, with questions in a predetermined order and fixed-responses, provided for standardisation in the data-collection process, and consistency in the data obtained.
Quantity of data to be collected	A structured questionnaire, distributed via email, allowed for the requested information to be sent to the entire population of frontline employees, increasing the potential for population representivity.
Speed	A structured questionnaire allowed for the information required from frontline employees to be provided in 11 minutes. This was considered an acceptable duration for frontline employees to remain engaged. In addition, distribution of the questionnaire via email gave the quickest turnaround time.
Simple coding and analysis	The use of a structured questionnaire facilitated simple coding and analysis.
Control of the target group	Emailing the questionnaire to the entire population of frontline employees, allowed for control of the target group, and ultimately, the data-collection environment.
Geographical coverage	Distribution via email resulted in the highest possible reach, that is, frontline employees from all of Bank A's retail branches, across all the regions of South Africa.
Cost	Distribution via email, whilst maximising reach, was also the lowest cost option.
Automatic data capture	The use of an internet-based survey supported automatic capturing.
Anonymity	The parameters used to set up the internet survey, allowed for complete anonymity.

Source: Compiled from Malhotra & Birks, 2007; Wiid & Diggines, 2009; Cooper & Schindler, 2014; Leedy & Ormrod, 2015; Saunders *et al.,* 2016.

The next section, as per the research framework in Figure 3.1, discusses the research instrument.

3.4 RESEARCH INSTRUMENT

Hofstee (2006) defines the research instrument as the method of obtaining the data.

Table 3.4 provides an overall summary of the four data-collection instruments which were selected (as discussed in Chapter 2, Section 2.4) to inform the adapted instruments for this study.

Table 3.4: Summary of data-collection instruments

Constructs	Data collection instrument	Dimensions	No. of items	References for Questionnaire
Employee service quality	Adapted version of SERVQUAL for frontline employees	5	22	Parasuraman *et al.* (1988; 1991)
Internal service quality	Adapted version of SERVQUAL for internal service quality	5	22	Parasuraman *et al.* (1988; 1991)
Service climate	Global service climate	1	7	Schneider *et al. (*1998)
Employee satisfaction	Global employee satisfaction	1	6	Brayfield & Rothe (1951)

Source: Compiled by the researcher

While the previous discussion in Chapter 2 focused on the selection of the four instruments, Sections 3.4.1 to 3.4.4 focus on the adaptation of the four instruments for the current study. Thereafter, the discussion focuses on the types of questions included in the questionnaires (Section 3.4.5), the Likert scale selected for the research instrument (Section 3.4.6) and the pre-testing of the research instruments (Section 3.4.7).

3.4.1 Measurement of frontline employee service quality

Table 3.5 (on the next page) presents the relevant adapted statements to measure frontline employee service quality in this study. The adapted statements were guided by:

- the Parasuraman *et al.* (1991) refinements referred to in Chapter 2, Section 2.4.1.2;
- the definition of frontline employee service quality for the purpose of this study, as presented in Table 1.2 (See Section 1.3). Because of the interaction of the relevant elements during the service encounter (the branch, frontline employees and customers), the adapted items reflect a mix of questions relating to each of these interacting elements (See Section 2.3.1.3 and 2.4.1.2);

- attempts to contextualise the statements to suit the measurement of service quality in a retail banking context, from the perspective of frontline employees themselves; and
- the face validity expert review (see Section 3.4.7).

With regard to the attempts to contextualise the statements, while the original statements in the left-hand column are generic, and designed for evaluation by customers, the statements in the right-hand column were adapted for retail banking, and for evaluation by frontline employees.

Table 3.5: Original and adapted SERVQUAL statements for frontline employee service quality

No.	Original SERVQUAL statements	SERVQUAL statements adapted for self-evaluation in a retail banking context
Tangibles		
1.	XYZ has up to date equipment.	Our branch has up-to-date equipment.
2.	XYZ's facilities are visually appealing.	Our branch's facilities are visually appealing.
3.	XYZ's employees are well dressed and appear neat.	I am neat and well-dressed when serving my customers.
4.	The appearance of the physical facilities of XYZ is in keeping with the type of services provided.	The customer-related materials used at our branch (e.g. pamphlets, bank statements, cards) are visually appealing.
Reliability		
1.	When XYZ promises to do something by a certain time, it does so.	When I promise a customer that I will do something by a certain time, I do so.
2.	When you have problems, XYZ is sympathetic and reassuring.	When a customer has problems, I am sympathetic and reassuring.
3.	XYZ is dependable.	The service I provide to customers is performed correctly the first time.
4.	XYZ provides its services at the time it promises to do so.	The service I provide to customers is performed at the time it is promised to the customer.
5.	XYZ keeps its records accurately.	My branch's customer-related records are error-free.
Responsiveness		
1.	XYZ does not tell customers exactly when services will be performed.	I communicate clearly with customers as to when specific services will be performed or completed.
2.	You do not received prompt services from XYZ's employees.	I give fast and efficient service to my customers.
3.	Employees of XYZ are not always willing to help customers.	I am willing to assist customers.
4.	Employees at XYZ are too busy to respond to customer requests promptly.	I am not too busy to respond promptly to my customers' requests. E.g. customers' waiting time or queuing time is usually short.

Assurance		
1.	You can trust employees of XYZ.	Customers can trust me to assist them with their service request.
2.	You feel safe in your transactions with XYZ's employees.	Customers can feel safe in the transactions I administer on their behalf.
3.	Employees of XYZ are polite.	I am polite and courteous to my customers.
4.	Employees get adequate support from XYZ to do their jobs well.	I have adequate knowledge to answer my customers' questions.
Empathy		
1.	XYZ does not give you individual attention.	Our branch is set up in such a way that customers may receive individual (one-on-one) attention.
2.	Employees of XYZ do not give you personal attention.	When I serve a customer, I listen to their needs and respond with personal attention.
3.	Employees of XYZ do not know what your needs are.	When I serve a customer, I understand their specific needs.
4.	XYZ does not have your best interests at heart.	Our products/services have the clients' best interest at heart.
5.	XYZ does not have operating hours convenient to all their customers.	Our branch's operating hours are convenient for our customers.

Source: Compiled by the researcher

The next section focuses on the adaptation of the internal service quality research instrument.

3.4.2 Measurement of internal service quality

Table 3.6 (on the next page) presents the relevant adapted statements to measure internal service quality as applied in this study. The adapted statements were guided by:

- the Parasuraman *et al.* (1991) refinements;
- the definition of internal service quality for the purpose of this study, as presented in Table 1.2 (See Section 1.3). Because of the interaction of the relevant elements during internal service encounters (the service organisation, staff from internal departments and frontline employees), the adapted items reflect a mix of questions relating to each of these interacting elements (See Section 2.3.2 and 2.4.2);
- attempts to contextualise the statements to suit the measurement of internal service quality in a retail banking context, from the perspective of frontline employees;

- the face validity expert review; and
- the Internal Service Quality Battery developed by Kang *et al.* (2002) to adapt the instrument to an internal context.

With regard to the attempts to contextualise the statements, while the original statements in the left-hand column are generic, and designed for evaluation by customers, the statements in the right-hand column were adapted for retail banking, and for evaluation by frontline employees. In this instance, the frontline employees are evaluating the service they receive from internal departments within the bank.

Table 3.6: Original and adapted SERVQUAL statements for internal service quality

Original SERVQUAL statements		Adapted SERVQUAL statements for frontline employees in a retail bank to evaluate the service from internal departments
Tangibles		
1.	XYZ has up to date equipment.	My colleagues in internal departments have access to up-to-date equipment.
2.	XYZ's facilities are visually appealing.	My colleagues in internal departments have working environments which are comfortable and attractive.
3.	XYZ's employees are well dressed and appear neat.	My colleagues in internal departments are neat and well-dressed.
4.	The appearance of the physical facilities of XYZ is in keeping with the type of services provided.	The materials dispatched to me by my colleagues from internal departments (e.g. manuals, instruction/information leaflets) are visually appealing.
Reliability		
1.	When XYZ promises to do something by a certain time, it does so.	When colleagues in internal departments promise to do something by a certain time, they do so.
2.	When you have problems, XYZ is sympathetic and reassuring.	When I experience problems, my colleagues in internal departments are sympathetic and reassuring.
3.	XYZ is dependable.	The services I receive from my colleagues in internal departments are performed correctly the first time.
4.	XYZ provides its services at the time it promises to do so.	My colleagues from internal departments provide services to me at the time they promise to do so.
5.	XYZ keeps its records accurately.	The information I receive from my colleagues in internal departments is error-free.

Responsiveness		
1.	XYZ does not tell customers exactly when services will be performed.	When I submit a service request internally, I am informed when to expect service delivery.
2.	You do not received prompt services from XYZ's employees.	My colleagues from internal departments provide me with fast and efficient service.
3.	Employees of XYZ are not always willing to help customers.	My colleagues from internal departments are willing to help me.
4.	Employees at XYZ are too busy to respond to customer requests promptly.	My colleagues from internal departments are not too busy to respond promptly to my requests. E.g. calls are not put on hold, calls are returned, waiting times are short.
Assurance		
1.	You can trust employees of XYZ.	I can trust my colleagues from internal departments with my service request to them.
2.	You feel safe in your transactions with XYZ's employees.	I feel safe in the transactions my colleagues from internal departments administer on my behalf.
3.	Employees of XYZ are polite.	My colleagues from internal departments are polite to me in my dealings with them.
4.	Employees get adequate support from XYZ to do their jobs well.	My colleagues from internal departments have adequate knowledge to answer my questions.
Empathy		
1.	XYZ does not give you individual attention.	Our business is set up in such a way that my colleagues from internal departments can give me individual (one-on-one) attention.
2.	Employees of XYZ do not give you personal attention.	When my colleagues from internal departments provide service to me, they listen to my needs and respond with personal attention.
3.	Employees of XYZ do not know what your needs are.	When my colleagues from internal departments provide service to me, they understand my specific needs.
4.	XYZ does not have your best interests at heart.	My colleagues from internal departments have my best interests at heart when delivering services to me.
5.	XYZ does not have operating hours convenient to all their customers.	My colleagues from internal departments have operating hours convenient to serve me.

Source: Compiled by the researcher

The next section elaborates on the adaptation of the service climate research instrument.

3.4.3 Measurement of service climate

Table 3.7 below displays the relevant application of the adapted statements. The adapted statements were guided by:

- Attempts to contextualise the statements to suit the measurement of service climate in a retail banking context, from the perspective of frontline employees.
- The face validity expert review. Specifically, it was recommended that Item 6, "How would you rate the effectiveness of your organisation's communications efforts to both employees and customers?" be converted into two items, in order to differentiate between the retail branch's communication's efforts to employees and customers.

Table 3.7: Original and adapted statements for global service climate

No.	Original global service climate statements	Global service climate statements adapted for a retail bank
All sentences begin with: How would you rate …		
1.	The job knowledge and skills of employees in your organisation to deliver quality work and service?	The job knowledge and skills of employees in your branch to deliver quality work and service?
2.	The efforts to measure and track the quality of the work and service in your organisation?	The efforts to measure and track the quality of the work and service in your branch?
3.	The recognition and rewards employees receive for the delivery of superior work and service?	The recognition and rewards employees receive for the delivery of superior work and service?
4.	The overall quality of service provided by your organisation?	The overall quality of service provided by your branch?
5.	The leadership shown by management in your organisation in supporting the service quality effort?	The leadership shown by management in your branch in supporting the service quality effort?
6.	The effectiveness of your organisation's communications efforts to both employees and customers?	The effectiveness of your branch's communications efforts to employees?
		The effectiveness of your branch's communications efforts to customers?
7.	The tools, technology, and other resources provided to employees to support the delivery of superior quality work and service?	The tools, technology, and other resources provided to employees to support the delivery of superior quality work and service?

Source: Compiled by the researcher

In the next section, the focus is shifted toward the customisation of the frontline employee satisfaction research instrument to suit the purposes of the current study.

3.4.4 Measurement of frontline employee satisfaction

Table 3.8 below reflects that no changes were made to the original statements. The decision to keep the items the same was guided by:

- the fact that the original items did not require specific contextualisation for frontline employees in a retail banking context; and
- The face validity expert review.

Table 3.8: Original and adapted statements for frontline employee satisfaction

No.	Original global employee satisfaction statements	Global employee satisfaction statements adapted for a retail bank
1.	I find real enjoyment in my job.	I find real enjoyment in my job.
2.	I like my job better than the average person.	I like my job better than the average person.
3.	I am seldom bored with my job.	I am seldom bored with my job.
4.	I would not consider taking another kind of job.	I would not consider taking another kind of job.
5.	Most days I am enthusiastic about my job.	Most days I am enthusiastic about my job.
6.	I feel fairly well satisfied with my job.	I feel fairly well satisfied with my job.

Source: Compiled by the researcher

Sections 3.4.1 to 3.4.4 demonstrated the adaptation of the four instruments selected to measure the four constructs in this study. The next section focuses on the types of questions used in the measuring instruments.

3.4.5 Types of questions for the research instruments

Cooper and Schindler (2014) differentiate between three categories of questions, namely, target, administrative and classification questions.

- Target questions consist of the investigative questions for a specific study.
- Administrative questions identify participants, interviewers, interview locations and conditions.
- Classification questions cover sociological-demographic variables.

For the purpose of this study, there were 57 target questions that aimed to measure the four constructs. There were four classification questions, namely, gender, age, ethnic group and employment tenure, to characterise and profile the respondents. There were no administrative questions.

The next section describes the Likert scale selected for the four research instruments.

3.4.6 Likert scale selected for the research instruments

Likert-type scales require an individual to respond to a series of statements by indicating an opinion, preference or attitude on a set number of categories. Each response is assigned a point value (Leung, 2011; Cooper & Schindler, 2014). Saunders *et al.* (2016) state that Likert-style questions are often used as indicators of a construct or concept.

There is an ongoing debate about the optimum number of choices, which typically range from 4 to 11 point scales (Dawes, 2008; Croasmun & Ostrom, 2011; Leung, 2011). In the current study, for the measurement of frontline employee service quality, internal service quality and frontline employee satisfaction, a 5-item agreement scale was used, ranging from strongly disagree to strongly agree (where 1 indicates strongly disagree and 5 indicates strongly agree). For service climate, a 5-item rating scale was used, ranging from very low to very high (where 1 indicates very low and 5 indicates very high).

The 5-item Likert scale was selected to allow for the labelling of each potential response, and where applicable, the presence of a neutral response. In terms of labelling, Smith (1992a, 1992b), suggests that 'wider scales' in which only the endpoints are labelled, may result in respondents overusing these end-points. Furthermore, verbal labels may more accurately record the respondent's intended response (Krosnick & Fabrigar, 1997).

In terms of a neutral response, odd-numbered scales provide an option for neutrality, while even-numbered scales do not. Although the presence of a neutral point may increase social desirability bias (Garland, 1991), removing it may force a respondent to declare a stand, while the respondent may prefer to remain neutral (Allen & Seaman, 2007; Croasmun & Ostrom, 2011).

The next section focuses on the pre-testing of the research instruments.

3.4.7 Pre-testing of the research instruments

Saunders *et al.* (2016) note that the purpose of a pilot test (or pre-test) is to refine the questionnaire to ensure there will be no problems in recording the data. Towards this end, the pilot study was divided into two phases, namely, questionnaire refinement, and the pilot-test run, which are elaborated on below:

Questionnaire refinement

Face validity can assist towards re-establishing the validity and reliability of the modified instrument, through 1) relevant questionnaire refinements, and 2) ensuring respondents have no problems in answering the relevant questions (Creswell, 2014; Saunders *et al.*, 2016).

Toward this end, an expert review was conducted. The questionnaire was given to eight experts to inspect. These experts were:

- the head of customer service research at Bank A;
- a customer service research consultant;
- three professors and two senior lecturers with expertise in service quality; and
- one professor with expertise in research methodology and questionnaire design.

The experts suggested several improvements, such as the refinement of ambiguous or inadequate wording. These refinements were incorporated into the questionnaire.

Pilot test-run

Cooper and Schindler (2014) note the importance of pre-testing research instruments on elements of the target population, as well as pre-testing the research design. Towards this end, they advise that the pilot test-run should follow the same data-collection procedures as those that will be used in the main study. The pilot test also enables a preliminary analysis of pilot data, to ensure that the data collected will enable the investigative questions to be answered (Saunders *et al.*, 2016).

Towards this end, the questionnaire was sent to 1 000 frontline employees who fitted the profile of frontline employees at Bank A. Of the 94 responses, 45 completed the survey. The pilot test-run assisted by demonstrating that:

- the data-collection procedure was effective and that the recording of the data was in order;

- the data collected via the preliminary analysis of the pilot data would enable the investigative questions in the study to be answered;
- the questionnaire in its entirety was understandable;
- the average completion time for the questionnaire was 11 minutes, 5 seconds; and
- the approximate response rate that could be expected (for completed questionnaires), was 4.5%.

Section 3.4 focused on the research instrument that was employed in this study. The next section, as per the research framework in Figure 3.1, discusses the research universe.

3.5 RESEARCH UNIVERSE

This section focuses on the 'research universe' by discussing the target population (Section 3.5.1), the sampling frame (Section 3.5.2) and the sampling strategy (Section 3.5.3) of this study.

3.5.1 Target population

Cooper and Schindler (2014) differentiate between a population and a population element. They define a population as the total collection of the population elements about which the research seeks to make some inferences. The population element is the 'unit of analysis', which will be determined by the problem being investigated (Wiid & Diggines, 2009).

For the purpose of this study, the population constitutes all frontline employees at the retail branches of Bank A who are involved in frontline service delivery to customers. The population and/or unit-of-analysis is the individual frontline employee.

Babbie (2016) notes, that from a practicality perspective, the sample design begins with the identification of a suitable sampling frame.

3.5.2 Sampling frame

A sampling fame is a representation of the elements of the target population, and consists of a list or set of directions for identifying the target population (Malhotra, 2015).

For this purpose of this study, Bank A provided a spreadsheet register of the email addresses of the full population of frontline employees at retail bank branches across South Africa, which constituted 8 720 frontline employees.

Due to confidentiality requirements, the gatekeeper at Bank A who granted permission for the research to be undertaken, prohibited direct access to the sampling frame. To overcome this constraint, the gatekeeper stipulated that the survey be administered through a designated research organisation, mandated to conduct research at Bank A (further detail is provided in Section 3.9).

The sampling frame in this instance is consistent with the entire population of the study. Accordingly, the list of 8 720 frontline employees constituted the sampling frame. Having identified the sampling frame, the sampling strategy needed to be determined.

3.5.3 Sampling strategy

According to Malhotra (2015), the sample size refers to the number of elements that will be included in a study. The larger the sample size, the lower the likelihood of errors in generalising to the total population (Saunders *et al.*, 2016).

In the light of larger sample sizes increasing the chances of population representivity, it was decided to send the survey to the entire sampling frame of frontline employees. Bank A provided permission for this to be done. Due to the importance of a pilot test-run (as outlined in Section 3.4.7), it was decided to divide the sampling frame of 8 720 employees into 1 000 employees for the pilot-study and 7 720 employees for the main study.

If 8 720 responses were obtained and usable in the main study, the sampling strategy would have constituted a census (Saunders *et al.*, 2016). However, respondents in this study ultimately comprised those frontline employees who were available during the period in which the data was gathered, and who willingly participated. The sample was therefore derived from a group that was conveniently accessible to the researcher, and it accordingly, constitutes a convenience sample (Leedy & Ormrod, 2015).

While statistical literature suggests that inferences cannot be drawn about a target population when using a convenience sample from that population (Welman, Kruger & Mitchell, 2009), generalisations in this study were possible due to:

- The 581 usable responses being larger than the minimum sample size of 370, required for a population of 10 000, as recommended by Saunders *et al.* (2016).
- The similarities in characteristics between the sample and the total population, as noted in Chapter 4, Section 4.3, thus supporting the notion of population representivity.

Other considerations regarding the sample size for statistical data analysis, were also considered. For studies including factor analysis, it is generally recommended to have a larger sample size (Pallant, 2011). In reviewing this matter, Tabachnick and Fidell (2007) suggest at least 300 cases for factor analysis.

This section focused on the research universe by discussing the target population, the sampling frame and the sampling strategy. The next section, as per the research framework illustrated in Figure 3.1, discusses the data obtained.

3.6 DATA OBTAINED

The survey was conducted during November and December 2017. An email was sent to 7 720 frontline employees, inviting them to participate in an online survey, which involved the completion of the online questionnaire. In order to maximise the number of respondents during this period, several email reminders were sent. At the end of the survey, of the 764 responses received, 183 responses had missing values due to respondents not completing the survey in full and were not used, resulting in 581 completed questionnaires. The 581 responses were considered a satisfactory sample, resulting in a final response rate of 7.5%.

The next section, as per the research framework in Figure 3.1, discusses data validity and reliability.

3.7 DATA VALIDITY AND RELIABILITY

Validity and reliability in this study are elaborated under two headings, namely, pre-established, and re-established validity and reliability.

3.7.1 Pre-established validity and reliability

With reference to validity, a measuring instrument is identified as valid, if that instrument measures what it is actually supposed to measure. With reference to reliability, while stability examines the degree to which a measuring instrument

produces consistent results, internal consistency measures the degree to which a set of items comprising a scale are homogeneous, and reflect the same underlying construct (Saunders *et al*., 2007; Leedy & Ormrod, 2015; Salkind, 2018).

For each of the four constructs measured in this study, the original measuring instruments that were selected to inform the adapted instruments used in this study, had demonstrated the psychometric properties of validity and reliability in previous studies.

3.7.2 Re-established validity and reliability

As discussed in Section 3.4.7, in order to assist towards achieving acceptable validity and reliability of the modified instrument (Creswell, 2014; Saunders *et al.*, 2016), several experts were consulted in a face validity review of the adapted instrument.

Furthermore, in order to re-establish the validity and reliability of the adapted instruments used in this study, confirmatory factor analysis was applied to the full set of data. The techniques forming part of the confirmatory factor analysis which were used to test the validity and reliability of the adapted instruments, are discussed in Section 3.8.1.

The next section, as per the research framework in Figure 3.1, discusses the data analysis.

3.8 DATA ANALYSIS

This section describes the data analysis techniques that were carried out on the data in a stage-by-stage approach. The five stages are:

1. data cleaning and screening;
2. descriptive statistics;
3. confirmatory factor analysis;
4. correlation analysis; and
5. multivariate regression analysis.

Each of these stages is discussed in more detail below.

Once the data was collected, it was statistically analysed using the SPSS software program for all statistical procedures. The data was categorised into two categories,

namely, the classification questions (the biographical information), and the target questions (questions relating to the four constructs measured in this study).

The next section elaborates on the first stage of the data analysis, namely, data cleaning and screening.

3.8.1 Data cleaning and screening

Hair, Black, Babin and Anderson (2014) make reference to the importance of data cleaning and screening towards ensuring that the results obtained from the multivariate analysis, are truly valid and accurate.

To ensure the accuracy of the data after it had been coded and analysed, screening was conducted for possible miscoding. To check for outliers, each item in the questionnaire was scanned for its respective minimum and maximum values. To check for unengaged respondents, standard deviations were calculated across each of the 581 cases. To assess deviations from normality and kurtosis, the data was evaluated in terms of distributions, shape, skewness and kurtosis. The execution of these steps is reported in detail in Chapter 4.

The next section discusses the second stage of the data analysis, namely, descriptive statistics.

3.8.2 Descriptive statistics

Tustin, Ligthelm, Martins and Van Wyk (2005) suggest that the purpose of descriptive statistics is to:

- present the data in a transparent manner;
- provide preliminary insight into the nature of the responses obtained;
- provide summary measures of ‘typical’ or ‘average’ responses, or the extent of variation in responses;
- provide an early opportunity for evaluating whether the distributional assumptions of subsequent statistical tests are likely to be satisfactory.

For the four classification questions in this study, histograms and pie charts were used to reflect the percentage of the responses across the relevant categories.

For the 58 target questions, histograms were used to reflect the percentage of responses across the 5-point Likert scale. Thereafter, to assist in the analysis of these

histograms, frequency tables were used to present further descriptive statistics, including mean scores (with rankings), standard deviations, and box scores.

The means and standard deviations were used as measures of variability. The ranking of means assisted in comparing the mean scores across items. The box scores further summarised the 5-point Likert scale responses using a 'Top 2', 'Neutral' and 'Bottom 2' box score approach, for easier identification of the trends for each item.

The next section elaborates on the third stage of the data analysis, namely, confirmatory factor analysis.

3.8.3 Confirmatory Factor Analysis

While Exploratory factor analysis (EFA) sets out to combine interdependent variables so that the researcher is able to identify a smaller number of constructs for further analysis, Confirmatory factor analysis (CFA) provides a confirmatory test in instances where the constructs are predefined, with specified variables which load on those constructs (Hair *et al.*, 2014).

CFA was selected for this study in light of the fact that the four measuring instruments selected to measure the four constructs, were adapted from theoretically grounded measuring instruments which had reflected adequate validity and reliability in previous studies.

Accordingly, CFA was used to test how well the items represent the constructs used, and was carried out in two steps. The first step of this stage entailed an analysis of construct validity. The second step entailed an analysis of model diagnostics. These two steps, discussed in more detail in Section 3.8.3.1 and Section 3.8.3.2, were carried out for each of the four constructs.

3.8.3.1 Analysing construct validity

Construct validity refers to the degree to which measures assess the theoretical constructs they are intended to assess, and can be assessed through CFA with various tests of convergent and discriminant validity (Hair *et al.*, 2014). Should factors not demonstrate satisfactory validity and reliability, one cannot move on to test a causal model (Marsh & Grayson, 1992).

The various tests of convergent and discriminant validity undertaken, are elaborated on below.

Convergent validity

Where different scales are used to measure the same construct, the overlap (or correlation) between these scales is known as convergent validity (Saunders *et al.*, 2016).

Table 3.9 displays the various tests of convergent validity that were undertaken as part of the CFA, including their descriptions and prescribed thresholds.

Table 3.9: Tests for convergent validity

Measurement	Description	Prescribed threshold
Cronbach's alpha	Cronbach's alpha measures the degree to which a set of items comprising a scale are homogeneous and reflect the same underlying construct(s). This indicator measures reliability by considering the internal consistency of items. (Saunders *et al.*, 2016)	> .7
Composite reliability (CR)	CR is a measure of reliability, and measures the degree to which a latent construct is explained by its observed variables. This indicator also measures reliability by considering the internal consistency of items. (Malhotra & Dash, 2011)	> .7
Average variance extracted (AVE)	The AVE is a summary indicator of convergence, and is calculated as the mean variance extracted for items loading on a construct. AVE in this study was computed using the formulae proposed by Fornell and Larcker (1981). (Fornell and Larcker, 1981; Fraering & Minor, 2006; Malhotra & Dash, 2011).	> .5
Factor loadings	Factor loadings indicate how strongly each item loads on a factor. High factor loadings are indicative of items converging on a common point, the latent construct. At a minimum, all loadings should be statistically significant. (Anderson & Gerbing, 1988; Hair *et al.*, 2014)	> .5 Exceptions may occur with larger sample sizes

Source: Compiled by the researcher

Discriminant validity

Discriminant validity refers to the extent to which a particular construct is truly distinct from other constructs (Saunders *et al.*, 2016). Therefore, high discriminant validity offers evidence that a particular construct is unique and that it captures some phenomena which other measures do not.

To assess discriminant validity, the squared root of the AVE of the construct should be greater than the shared variance between the construct and the other model constructs (Chin, 1998). Additionally, Hulland (1999) recommends that researchers check whether the correlations between the research constructs are less than 0.8.

The next section focuses on the second step of the CFA stage, the analysis of model diagnostics.

3.8.3.2 Analysing model diagnostics

The aim of model diagnostics is to establish whether the measurement model is an adequate 'fit' for the set of data being evaluated. Ockey and Choi (2015) mention that the model should be a reasonable fit for the data before the relationships between the variables can be validated. This is the fundamental task of CFA and forms the basis for either accepting or rejecting models (Kaplan, 2007; Kline, 2011).

A fit between the model and the data that is considered to be good, does not necessarily mean that a particular model is 'correct', or even that a large proportion of the covariance is explained. A 'good model fit' only offers an indication that a particular model is plausible (Jackson, Gillaspy & Purc-Stephenson, 2009). With reference to what constitutes an acceptable model fit, Brown (2006) states that there are no absolute guidelines. This is due to the variety of factors which could be present, for example, sample size, model complexity, estimation method, amount and type of misspecification, normality of data and type of data. As different measures of fit capture different elements relating to the fit of the model, it is advisable to report a selection of different fit measures (Hu & Bentler, 1999; Raykov & Marcoulides, 2000; Hair *et al.*, 2014).

Accordingly, for the purpose of this study, CFA made use of various tests to estimate the convergent and discriminant validity more accurately, including:

- CMIN/df (normed Chi-Squared/degrees off),

- RMSEA (Root Mean Square Error of Approximation),
- CFI (Comparative Fit Index),
- TLI (Tucker-Lewis Index),
- IFI (Bollen's Incremental Fit Index),
- AGFI (Adjusted Goodness of Fit Index) and
- NFI (Normed Fit Index) in order.

The descriptions of these tests, as well as their prescribed thresholds, are outlined in Table 3.10 below.

Table 3.10: Model fit tests

Measurement	Description	Prescribed Threshold
CMIN/df (normed Chi-Squared / degrees of freedom)	The CMIN/df is a function of the size of the sample as well as the difference between the model covariance matrix and the observed covariance matrix. A value closer to zero is indicative of a better fit. (Wheaton *et al.*, 1977; Gatignon, 2010; Schmitt, 2011)	< 3 good < 5 permissible
RMSEA (Root Mean Square Error of Approximation)	The RMSEA considers model complexity. However, it has less rigid requirements in terms of degree of fit. The main principle behind the RMSEA is that it assesses the degree to which the model does not fit the data. (Raykov & Marcoulides, 2000; Hair *et al.* 2014)	< .05 good .05 – .08 acceptable .08 – .10 marginal > .10 poor
CFI (Comparative Fit Index)	The CFI examines the discrepancy reflected between the data and the hypothesised model. However, it adjusts for the issues relating to the size of the sample which are present in the chi-squared model-fit test. (Bentler & Bonett, 1980; Baumgartner & Hombur, 1996; Gatignon, 2010)	> .95 great > .90 traditional > .80 sometimes permissible
TLI (Tucker-Lewis Index)	The TLI contrasts *T* (the chi-square value) to a baseline model or independence model, which carries the assumption that all of the covariances are equal to zero. (Raykov & Marcoulides, 2000; Hair *et al.*, 2014)	> .90

IFI (Bollen's Incremental Fit Index)	The TLI uses a different ratio, but also contrasts *T* (the chi-square value) to a baseline model or independence model, which carries the assumption that all of the covariances are equal to zero (Raykov & Marcoulides, 2000; Hair *et al.*, 2014)	> .90
AGFI (Adjusted Goodness of Fit Index)	The AGFI calculates the proportion of variance accounted for by the estimated population covariance. However, based upon the degrees of freedom, it is adjusted. (Tanaka, 1993)	> .80
NFI (Normed Fit Index)	The NFI analyses the model by contrasting the $\chi 2$ value of the model and the null model respectively. (Bentler & Bonnet, 1980; Hooper, Coughlan & Mullen, 2008)	> .90

Source: Compiled by the researcher

This section discussed the two steps used to carry out the CFA in this study, namely, analysing construct validity, and analysing model diagnostics. The next section elaborates the fourth stage of the data analysis, namely, correlation analysis.

3.8.4 Correlation analysis

Leedy and Ormrod (2015) describe correlation as the statistical process through which it is discovered whether two or more variables are associated with one another in some way. The resulting figure from this statistical process is called a correlation coefficient. When presented with the correlation coefficient for two variables which are strongly related, knowing the level of one variable enables one to make considerably accurate predictions about the other variable.

This study analysed the relationships between frontline employee service quality, internal service quality, service climate, and frontline employee satisfaction. The inter-relationships between these constructs were computed using the Pearson's product moment correlation coefficient. This coefficient helps to determine the strength of the linear relationship between quantifiable variables, and will be any value between -1 and +1.

Table 3.11 (on the next page) provides a detailed classification of correlation coefficient values for the data ranges between -1 and 1, with their corresponding strength classifications.

Table 3.11: Classification of correlation coefficient values

Correlation coefficient values between: *(as one variable increases, so does the other)*	**Strength**	**Correlation coefficient values between:** *(as one variable increases, the other decreases)*	**Strength**
0.8 and 1.0	Very strong	-0.8 and -1.0	Very strong
0.6 and 0.8	Strong	-0.6 and -0.8	Strong
0.4 and 0.6	Moderate	-0.4 and -0.6	Moderate
0.2 and 0.4	Weak	-0.2 and -0.4	Weak
0.0 and 0.2	Very weak	-0.0 and -0.2	Very weak

Source: Adapted from Salkind (2018:169)

The relationships between the four constructs in the current study form the basis for the testing of six correlations. These correlations are outlined in Table 3.12 below.

Table 3.12: Correlations tested in this study

Correlations to be tested	**Relevant hypothesis to be tested**
Service climate and frontline employee service quality	H1
Service climate and frontline employee satisfaction	H2
Service climate and internal service quality	H3
Internal service quality and frontline employee satisfaction	H4
Internal service quality and frontline employee service quality	H5
Frontline employee satisfaction and frontline employee service quality	H6

Source: Compiled by the researcher

These six correlations provide sufficient evidence to support or reject the six hypotheses in this study, as outlined in Chapter 1, Table 1.1.

The next section elaborates on the fifth and final stage of the data analysis, namely, multivariate regression analysis.

3.8.5 Multivariate regression analysis

Multivariate analysis occurs when the relationships among three or more variables are analysed simultaneously (Wiid & Diggines, 2009). Multivariate analysis is “based on

correlation, but allows for a more sophisticated exploration of the interrelationships among a set of variables" (Pallant, 2011:148). Pallant elaborates further, stating that this makes multivariate analysis ideal for investigating complex real-life questions, rather than laboratory-based, research questions.

This study makes use of standard multivariate regression to explore the relationship between one dependent variable and three independent variables (predictors). As this study focuses on the antecedents to frontline employee service quality, frontline employee service quality constitutes the dependent variable, while internal service quality, service climate and frontline employee satisfaction constitute the independent variables.

Multivariate regression can aid in interpreting the results by explaining how these independent variables are able to predict frontline employee service quality and how much variance in frontline employee service quality these independent variables are able to explain as a group (Pallant, 2011).

Cooper and Schindler (2014) explain how standard multivariate regression reflects regression coefficients in the form of both unstandardised regression coefficients (B) and standardised regression coefficients (Beta).

- The **unstandardised regression coefficients (B)**: This coefficient reflects how much variance in frontline employee service quality can be explained by the scores of each of the three independent variables, and can be reflected in the form of a regression equation (Cooper & Schindler, 2014).
- The **standardised regression coefficients (Beta)**: 'Standardised' means that the values for each of the different variables have been converted to the same scale. Accordingly, these values can be compared to assess the relative contribution of each independent variable (Pallant, 2011; Cooper & Schindler, 2014).

Pallant (2011) elaborates on other scores obtained through standard multivariate regression, including the standard error, *t*-value and *p*-value. The standard error is an estimate of the reliability of predictions, using samples of the same size, from the sample population. The *t*-value offers an indication, given a stated level of error, that the resultant coefficients calculated on the basis of the unstandardised coefficients, are not equal to zero. The *p*-value is a measure of statistical significance. If the *p*-value for an independent variable is less than 0.05, then that independent variable is making

a significant unique contribution to the prediction of the dependent variable (Pallant, 2011).

Section 3.8 described the five stages of the data analysis techniques carried out on the data collected in the current study. The next section, as per the research framework illustrated in Figure 3.1, discusses research ethics.

3.9 RESEARCH ETHICS

According to Louw and Delport (2006) and De Vos *et al.* (2011), research ethics relate to quality research procedures, guided by a set of moral principles that adhere to the professional, legal and social obligations towards the research participants.

To ensure that this study fulfils the ethical requirements as stipulated in the University of South Africa (UNISA) Policy on Research Ethics, the researcher was awarded an Ethics Clearance Certificate (see Appendix A: Ethical Clearance Certificate) through the College of Economic and Management Sciences Research Ethics Review Committee (CRERC).

Permission to conduct the research was obtained from Bank A (see Appendix B: Organisation Permission Letter). As explained in Section 3.5.2, due to confidentiality requirements, Bank A prohibited access to the email addresses in the sampling frame, and accordingly, stipulated that the survey be conducted through a designated research organisation, mandated to conduct research at Bank A. Consequently, this organisation was appointed to carry out the responsibilities of:

- converting the questionnaire to an electronic web-based system format (see Appendix D: Online Questionnaire);
- administering the online web-campaign and data collection;
- sending the raw data file (excluding the employee identification data) to the researcher.

According to Leedy and Ormrod (2015), the majority of ethical issues in research can be summarised under four categories. These include protection from harm, informed consent, the right to privacy and honesty with professional colleagues. For the duration of this study, every effort was made to adhere to these four categories.

Respondents were advised of the purpose of the research and informed that it was an MCom research study. The purpose was clearly articulated in order for the involved parties to understand the nature of the study, to understand its impact on them, and to understand that feedback would be used for research purposes only. Agreement to participate included a confidentiality clause stating that responses will remain completely anonymous and confidential. Respondents were given the opportunity to refuse participation or withdraw their consent to participate at any point in time during the research process. In the case of respondents who did withdraw at any point from the study, the data obtained was discarded. At no stage in the dissertation, were individual or company details disclosed. Finally, care was taken to meet the intended purpose of the study, and not to misrepresent any of the findings (See Appendix C: Respondents' Consent).

This section concluded the eight topics (Sections 3.2 to 3.9) covered within the research framework illustrated in Figure 3.1. The next section concludes this chapter.

3.10 CONCLUSION

In support of the primary objective of this study, namely, to investigate the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to the service quality delivered by frontline employees to customers in a South African retail bank, this chapter reviewed the research methodology to be adopted in achieving this objective.

This research methodology was discussed with the support of a research framework synthesised by the researcher, whereby each of the following eight topics were discussed, with specific reference to this study: Research design (including the seven descriptors); Research strategy; Research instrument; Research universe; Data obtained; Data validity and reliability; Data analysis (including the five stages) and Research ethics.

The next chapter, Chapter 4, presents the quantitative analysis of the collected data, using the processes, strategies and statistical analysis methods described in this chapter.

CHAPTER 4:
FINDINGS

4.1 INTRODUCTION

Chapter 1 presented an introduction to the study and discussed the background to the SA banking industry. Chapter 2 contextualised frontline employee service within retail banking and service type operations, and elaborated on the relevant literature relating to the four constructs considered in this study. Chapter 3 discussed the research methodology relating to this study.

This chapter addresses the empirical findings of the current study and presents a quantitative analysis of the data collected. De Vos (2011) notes that data analysis involves the dissection of the data into essential parts, in order to find answers to the research questions and to test the research hypotheses.

Figure 4.1 provides an overview of the structure of this chapter. This structure stems from the methodology described in Chapter 3, Section 3.8: Data Analysis.

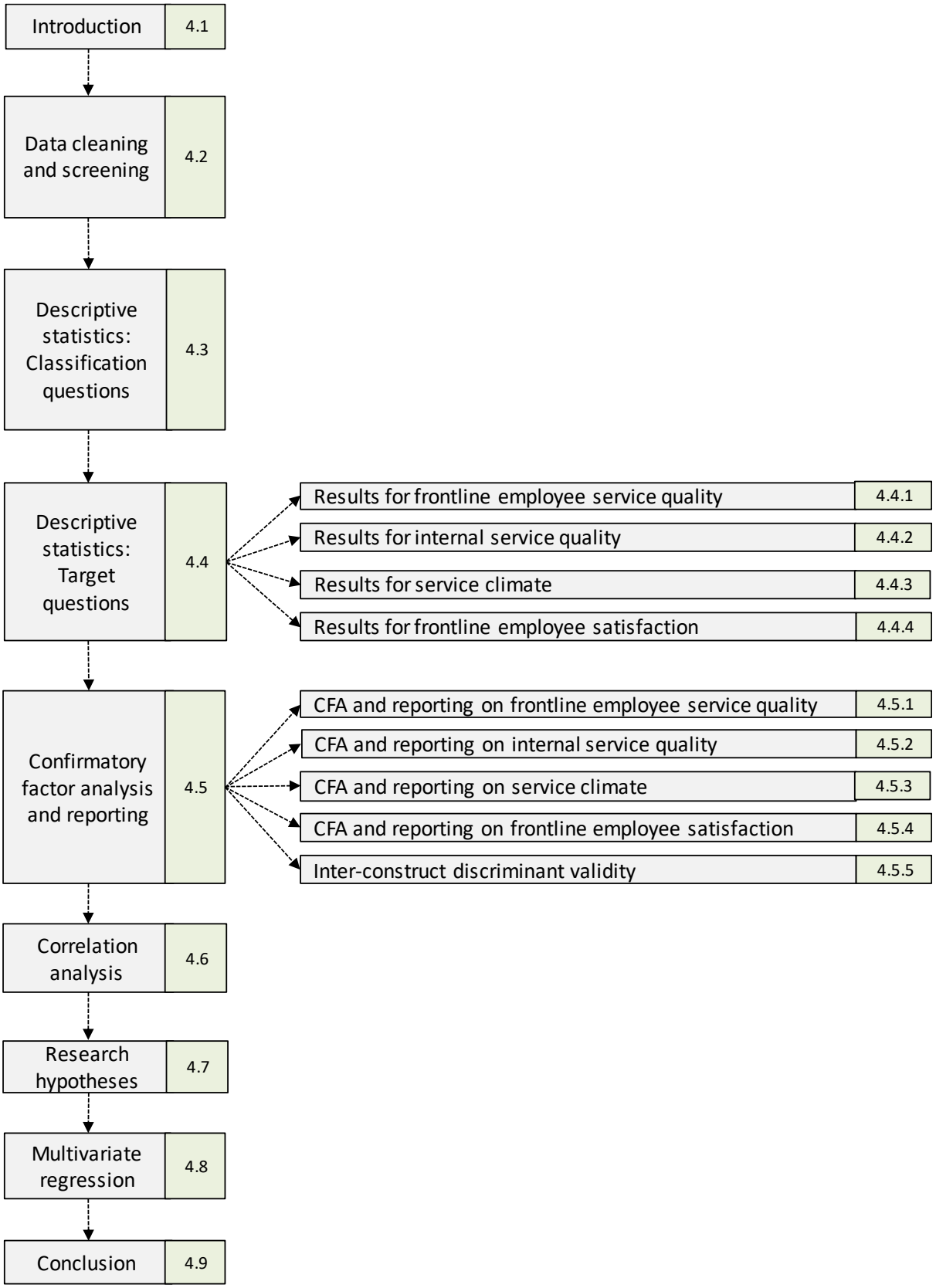


Figure 4.1: Conceptual framework for Chapter 4

Source: Compiled by the researcher

4.2 DATA CLEANING AND SCREENING

This section reports on the first stage of the data analysis, namely, data cleaning and screening, as introduced in Chapter 3, Section 3.8.2.

The data was screened with a view to checking for errors or miscoding. No errors or miscoding were identified. Thereafter, the data was checked for missing values. Of the 764 responses received, 183 had missing values due to respondents not completing the survey in full, resulting in 581 completed questionnaires without any missing data.

To check for outliers, the responses to the four biographical questions and 58 perception-based questions were scanned. All values were within the required parameters. To check for unengaged respondents, standard deviations were calculated across each of the 581 cases. No cases were classified as unresponsive, and all were deemed as valid for inclusion in the next phase of the analysis.

Thereafter, the data was evaluated in terms of distribution, shape, skewness and kurtosis. Overall, the data was deemed to be within acceptable limits of deviations. Furthermore, in the light of the large sample size (n = 581), the underlying sampling distribution was deemed as normally distributed in accordance with the central limit theorem (Field, 2009).

4.3 DESCRIPTIVE STATISTICS: CLASSIFICATION QUESTIONS

As per the second stage of the data analysis, as discussed in Chapter 3, Section 3.8.2, this section reports on the descriptive statistics relating to the classification questions, as well as the additional classification information provided by Bank A.

The four classification questions reported on in Table 4.1 on the next page, are gender, age, ethnic group and employment tenure.

Table 4.1: Summary of responses: Classification questions

Classification question	Categories	Number of respondents	Percentage of respondents
Gender of respondents	Male	155	27%
	Female	426	73%
	Total	581	100%
Age of respondents	18 – 25 years	77	13%
	26 – 35 years	265	46%
	36 – 45 years	128	22%
	46 – 55 years	91	16%
	56 – 65 years	20	3%
	Total	581	100%
Ethnic group of respondents	African	340	59%
	Coloured	103	18%
	White	97	17%
	Indian	23	4%
	Prefer not to indicate	18	3%
	Total	581	100%
Employment tenure	Less than 1 year	67	12%
	More than 1 year but less than 3 years	123	21%
	More than 3 years but less than 5 years	57	10%
	More than 5 years but less than 10 years	134	23%
	More than 10 years	200	34%
	Total	581	100%

Source: Compiled by the researcher

The findings indicate that the majority of respondents are female. In terms of age, there is a higher representation in the categories of 18 to 55, with the largest representation being respondents between 26 and 35 years. Ethnicity figures show the highest representation being African, followed by Whites and Coloured, with the latter two groups reflecting similar percentages. In terms of employment tenure, the

lowest groups were respondents employed less than one year and respondents employed between 3 and 5 years. The highest percentage in terms of duration of employment, came from those employed more than 10 years.

For the population, information relating to gender, age, ethnic group and employment tenure was not available to the researcher. Accordingly, comparisons could not be made between the sample and the population of frontline employees from Bank A, for the purpose of checking sample representivity.

Further classification information was provided by Bank A to assist in the analysis of the representivity of the sample. This information, relating to the positions held by the respondents and the regions in which the respondents work, was available for both the sample and the population, and is reported in Table 4.2 (on the next page).

Table 4.2: Summary: Positions held and regions

Classification category	Category	Number of population	Percentage of population	Number of respondents	Percentage of respondents
Position held	Teller	2 153	25%	164	28%
	Customer services clerk	1 532	18%	113	19%
	Sales consultant	1 261	14%	79	14%
	Branch administrator	655	8%	28	5%
	Branch manager	579	7%	39	7%
	Customer service specialist & Host manager	540	6%	35	6%
	Branch service official	389	4%	27	5%
	Customer service host	344	4%	16	3%
	Other	1 267	15%	80	14%
	Total	8 720	100%	581	100%
Region	Gauteng	1 963	23%	131	23%
	Western Cape	1 334	15%	89	15%
	KwaZulu-Natal	1 063	12%	46	8%
	Gauteng North	982	11%	73	13%
	Eastern Cape	875	10%	53	9%
	Limpopo	634	7%	45	8%

Classification category	Category	Number of population	Percentage of population	Number of respondents	Percentage of respondents
	North West	571	7%	57	10%
	Mpumalanga	567	7%	32	6%
	Free State	521	6%	39	7%
	Northern Cape	210	2%	16	3%
	Total	8 720	100%	581	100%

Source: Compiled by the researcher

With regard to positions held, Table 4.2 lists the positions identified by Bank A which involve customer contact at retail bank branches. While the majority of the respondents were either tellers, customer services clerks or sales consultants, the table reflects that respondents represented a broad range of customer contact positions held at retail bank branches. Furthermore, the sample figures correspond strongly to the proportional distribution evident in the population figures.

With regard to regions, Table 4.2 reflects that that while the majority of the respondents were from branches in Gauteng and Western Cape, there was representation across all regions. Furthermore, the sample distribution is a sound reflection of the population distribution.

Overall, comparisons of the sample and population figures indicate a strong correspondence between the sample and the population, providing evidence of good sample representivity.

This section covered the descriptive statistics pertaining to the classification questions. The next section presents the descriptive statistics relating to the target questions.

4.4 DESCRIPTIVE STATISTICS: TARGET QUESTIONS

This section considers the descriptive statistics relating to the target questions, which cover the four constructs measured in this study.

Table 4.3 outlines the four constructs reported in this section and reflects the applicable number of items and item codes per construct.

Frontline employee service quality is abbreviated in certain instances as “EXT-SQ”, and is reflected by a code in certain figures and tables as “EXT_SQ”.

Internal service quality is abbreviated in certain instances as “INT-SQ”, and is reflected by a code in certain figures and tables as “INT_SQ”.

Table 4.3: Summary of constructs and items

Research construct	Section of questionnaire	Number of items
Frontline employee service quality	S1.1 – S1.4 (Tangibles) S3.1 – S3.5 (Reliability) S5.1 – S5.4 (Responsiveness) S7.1 – S7.4 (Assurance) S9.1 – S9.5 (Empathy)	22
Internal service quality	S2.1 – 2.4 (Tangibles) S4.1 – S4.5 (Reliability) S6.1 - S6.4 (Responsiveness) S8.1 – S8.4 (Assurance) S10.1 – S10.5 (Empathy)	22
Service climate	SC1 – SC8	8
Frontline employee satisfaction	ES1 – ES6	6

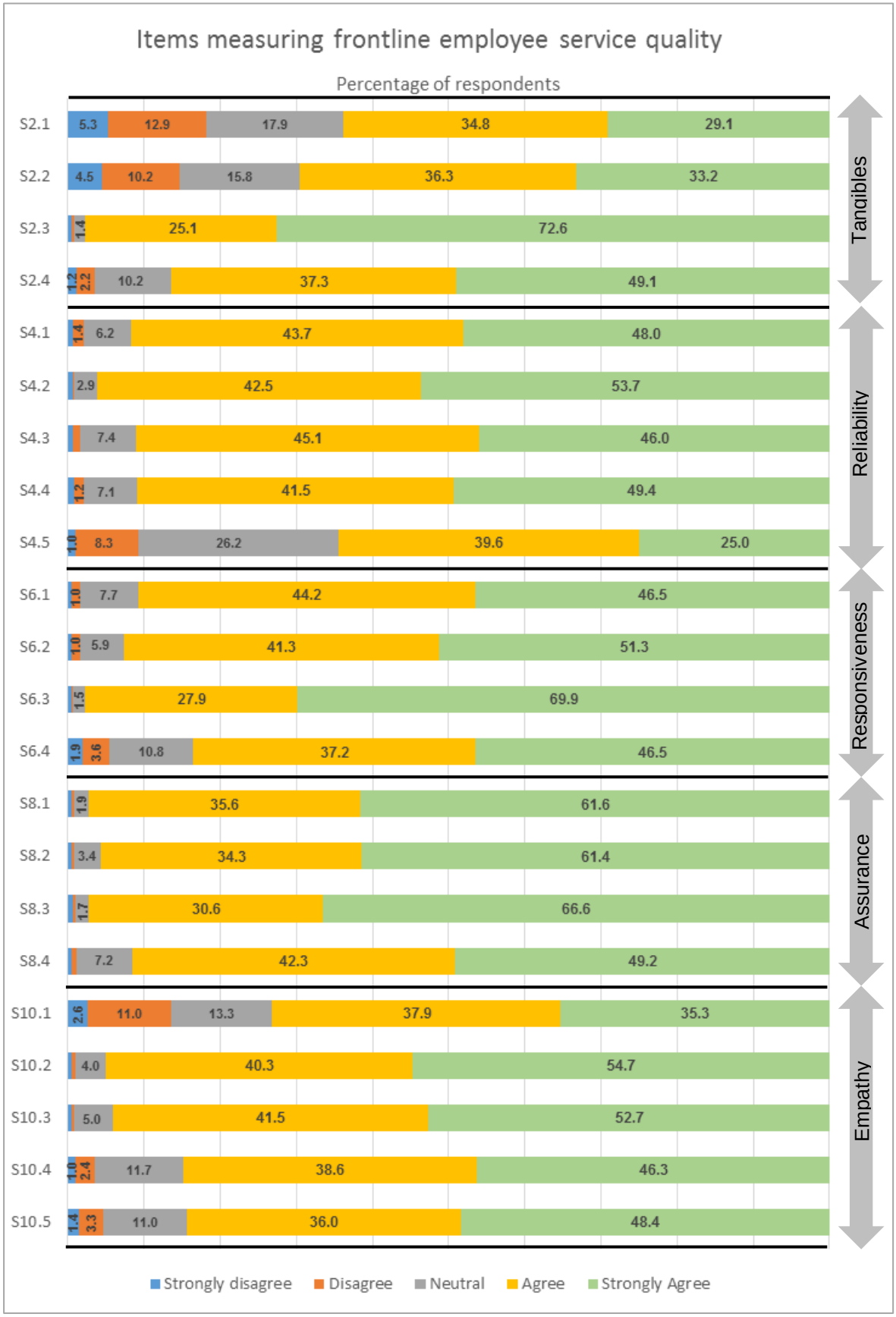
Source: Compiled by the researcher

The next section reports on the descriptive statistics for the measurement items used to determine frontline employee service quality.

4.4.1 Results for frontline employee service quality

Figure 4.2 presents the responses captured for the 22 measurement items used to determine frontline employee service quality.

Thereafter, Table 4.4 reflects the corresponding items in full, and provides further descriptive statistics (as elaborated in Chapter 3, Section 3.8.2) to summarise the responses across the five dimensions.



Note: Percentage contributions below 1% are represented visually only.

Figure 4.2: Percentage distribution of respondents' responses: EXT-SQ

Source: Compiled by the researcher

Table 4.4: Summary of responses: Frontline employee service quality

Code	Item	SD + D	N	A + SA	Item mean (SD)	Item rank	Dimension mean (SD)	Dimension rank
Tangibles								
S2.1	Our branch has **up-to-date equipment**.	18.24%	17.90%	63.86%	3.69 (1.173)	4	4.13 (0.766)	5
S2.2	Our branch's facilities are **visually appealing.**	14.63%	15.83%	69.54%	3.84 (1.129)	3		
S2.3	I am **neat and well-dressed** when serving my customers.	0.86%	1.38%	97.76%	4.69 (0.570)	1		
S2.4	The customer-related materials used at our branch (e.g. pamphlets, bank statements, cards) are **visually appealing**.	3.44%	10.15%	86.40%	4.31 (0.834)	2		
Reliability								
S4.1	When I **promise** a customer that I will do something by a certain time, I do so.	2.07%	6.20%	91.74%	4.37 (0.723)	2	4.27 (0.615)	4
S4.2	When a customer has problems, I am **sympathetic and reassuring**.	0.86%	2.93%	96.21%	4.48 (0.634)	1		
S4.3	The service I provide to customers is **performed correctly the first time**.	1.55%	7.40%	91.05%	4.35 (0.714)	4		
S4.4	The service I provide to customers **is performed at the time it is promised** to the customer	2.07%	7.06%	90.88%	4.37 (0.743)	3		
S4.5	My branch's customer-related records are **error-free**.	9.29%	26.16%	64.54%	3.79 (0.945)	5		

Code	Item	SD + D	N	A + SA	Item mean (SD)	Item rank	Dimension mean (SD)	Dimension rank
Responsiveness								
S6.1	I communicate clearly with customers as to when **specific services will be performed or completed**.	1.55%	7.75%	90.71%	4.35 (0.712)	3	4.42 (0.601)	2
S6.2	I give **fast and efficient service** to my customers.	1.55%	5.85%	92.60%	4.42 (0.697)	2		
S6.3	I am **willing to assist** customers.	0.69%	1.55%	97.76%	4.66 (0.572)	1		
S6.4	I am not too busy to respond promptly to my customers' requests. E.g. customers' **waiting time or queuing time** is usually short.	5.51%	10.84%	83.65%	4.23 (0.915)	4		
Assurance								
S8.1	Customers can **trust** me to assist them with their service request.	0.86%	1.89%	97.25%	4.57 (0.605)	2	4.54 (0.560)	1
S8.2	Customers can **feel safe** in the transactions I administer on their behalf.	0.86%	3.44%	95.70%	4.56 (0.632)	3		
S8.3	I am **polite and courteous** to my customers.	1.03%	1.72%	97.25%	4.62 (0.611)	1		
S8.4	I have **adequate knowledge** to answer my customers' questions.	1.20%	7.23%	91.57%	4.39 (0.698)	4		

Code	Item	SD + D	N	A + SA	Item mean (SD)	Item rank	Dimension mean (SD)	Dimension rank
Empathy								
S10.1	Our branch is set up in such a way that customers may receive **individual (one-on-one) attention**.	13.60%	13.25%	73.15%	3.92 (1.074)	5	4.28 (0.637)	3
S10.2	When I service a customer, I **listen to their needs** and respond with personal attention.	1.03%	3.96%	95.01%	4.48 (0.650)	1		
S10.3	When I service a customer, **I understand their specific needs**.	0.86%	4.99%	94.15%	4.45 (0.657)	2		
S10.4	Our products/services have the **clients' best interest at heart**.	3.44%	11.70%	84.85%	4.27 (0.836)	3		
S10.5	Our branch's **operating hours are convenient** for our customers.	4.65%	11.02%	84.34%	4.27 (0.882)	4		
Overall scores (across items and dimensions)		4.08%	8.19%	87.72%	N/A	N/A	4.33 (0.527)	N/A

Note: SD = Standard deviation.

Words marked in bold were marked accordingly in the online questionnaire.

Items with "equal means" are ranked according to the SD, with lower SD's ranked higher.

Source: Compiled by the researcher

In view of the data presented in Table 4.4 and Figure 4.2, key observations across all 22 items are as follows:

- Ratings related to self-evaluation tend to show high levels of agreement.
- Lower levels of agreement were recorded for items outside the locus of control of respondents.
- Overall, the findings suggest that respondents consider frontline employee service quality to be high.

The dimension that ranked highest is Assurance, while the dimension that ranked lowest is Tangibles. Key observations with regard to each of the five dimensions, from the highest-scoring dimension to the lowest-scoring dimension are as follows.

Assurance (mean = 4.54)

Respondents' ratings relating to customers' receiving courtesy, feeling safe in transactions and showing trust in service requests, reflected higher levels of agreement, resulting in item mean scores above the dimension mean. Lower levels of agreement were recorded for the adequacy of respondents' knowledge, to answer customer's questions, resulting in the only item mean score below the dimension mean.

Responsiveness (mean = 4.42)

The highest levels of agreement were recorded for the respondent's willingness to assist customers, scoring above the dimension mean. The response time of frontline employees due to queuing, the only item falling outside of the employee's locus of control, reflected the lowest levels of agreement, scoring below the dimension mean.

Empathy (mean = 4.28)

Higher levels of agreement were recorded for the two items within the respondent's locus of control, namely, listening to and understanding customers' needs, and responding with personal attention. For ratings related to products/services being in the customer's best interests, and operating hours being convenient to customers, the levels of agreement were lower, scoring close to the dimension mean. Levels of agreement were lower for the ratings related to the branch set up, and allowing for one-on-one attention to customers.

Reliability (mean = 4.27)

The ratings relating to the respondent's being sympathetic and reassuring to customers facing problems, reflected the highest levels of agreement**,** scoring above the dimension mean. For delivering on promises timeously and performing services correctly the first time, the levels of agreement were lower, although they still scored above the dimension mean. The ratings related to customer-related records being error-free reflected the lowest levels of agreement, scoring below the dimension mean.

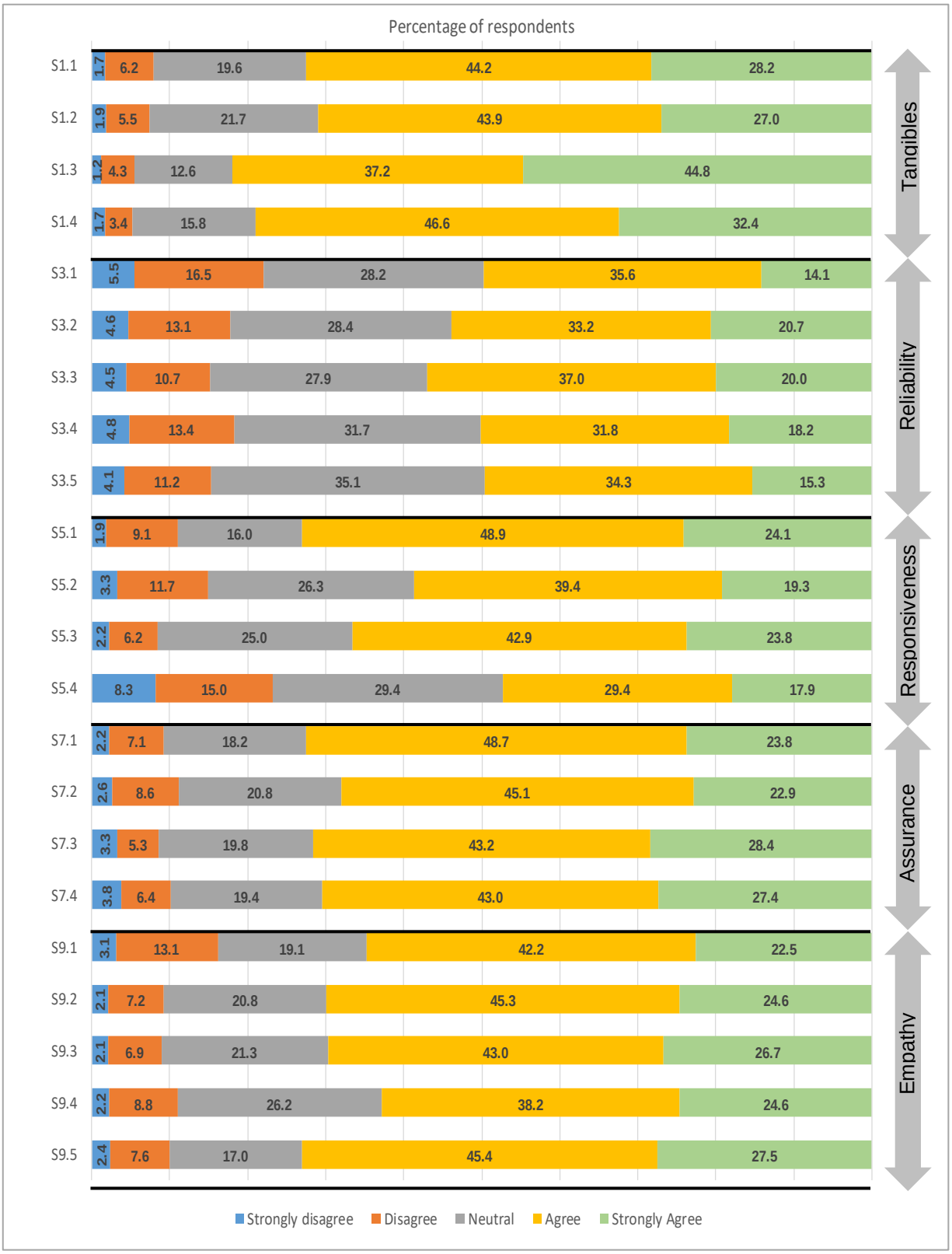
Tangibles (mean = 4.13)

The results across the five items reflect a wide distribution of responses. The ratings relating to respondents being neat and well dressed and the visual appeal of customer-related materials reflected higher levels of agreement and scored above the dimension mean. The ratings related to the visual appeal of the branches' facilities and the branches having up-to-date equipment, received lower levels of agreement, both scoring lower than the dimension mean.

This section reported on the descriptive statistics for the measurement items used to determine frontline employee service quality. The next section reports on the descriptive statistics for the measurement items used to determine internal service quality.

4.4.2 Results for internal service quality

Figure 4.3 presents the responses captured for the 22 measurement items used to determine internal service quality.



Note: Percentage contributions below 1% are represented visually only

Figure 4.3: Percentage distribution of respondents' responses: INT-SQ

Source: Compiled by the researcher

Table 4.5 reflects the corresponding items in full and provides further descriptive statistics to summarise the responses across the five dimensions.

Table 4.5: Summary of responses: Internal service quality

Code	Item	SD + D	N	A + SA	Item mean (SD)	Item rank	Dimension mean (SD)	Dimension rank
Tangibles								
S1.1	My colleagues in internal departments have **access to up-to-date equipment**.	7.92%	19.62%	72.46%	3.91 (0.935)	3	4.01 (0.734)	1
S1.2	My colleagues in internal departments have working environments which are **comfortable and attractive**.	7.40%	21.69%	70.91%	3.89 (0.931)	4		
S1.3	My colleagues in internal departments are **neat and well-dressed**.	5.51%	12.56%	81.93%	4.20 (0.903)	1		
S1.4	The materials dispatched to me by my colleagues from internal departments (e.g. manuals, instruction/ information leaflets) are **visually appealing**.	5.16%	15.83%	79.00%	4.04 (0.880)	2		
Reliability								
S3.1	When colleagues in internal departments **promise to do something** by a certain time, they do so.	22.03%	28.23%	49.74%	3.36 (1.085)	5	3.47 (0.951)	5
S3.2	When I experience problems, my colleagues in internal departments are **sympathetic and reassuring**.	17.73%	28.40%	53.87%	3.52 (1.098)	2		
S3.3	The services I receive from my colleagues in internal departments are **performed correctly the first time.**	15.15%	27.88%	56.97%	3.57 (1.062)	1		
S3.4	My colleagues from internal departments provide services to me at the **time they promise to do so**.	18.24%	31.67%	50.09%	3.45 (1.083)	4		
S3.5	The information I receive from my colleagues in internal departments is **error-free**.	15.32%	35.11%	49.57%	3.45 (1.014)	3		

Code	Item	SD + D	N	A + SA	Item mean (SD)	Item rank	Dimension mean (SD)	Dimension rank
Responsiveness								
S5.1	When I submit a service request internally, I **am informed when to expect service delivery**.	11.02%	16.01%	72.98%	3.84 (0.955)	1	3.64 (0.883)	4
S5.2	My colleagues from internal departments provide me with **fast and efficient service**.	14.97%	26.33%	58.69%	3.60 (1.029)	3		
S5.3	My colleagues from internal departments are **willing to help me.**	8.43%	24.96%	66.61%	3.80 (0.947)	2		
S5.4	My colleagues from internal departments are **not too busy to respond promptly to my requests**. E.g. calls are not put on hold, calls are returned, waiting times are short.	23.24%	29.43%	47.33%	3.34 (1.174)	4		
Assurance								
S7.1	I can **trust my colleagues** from internal departments with my service request to them.	9.29%	18.24%	72.46%	3.85 (0.939)	2	3.83 (0.878)	2
S7.2	I **feel safe** in the transactions my colleagues from internal departments administer on my behalf.	11.19%	20.83%	67.99%	3.77 (0.981)	4		
S7.3	My colleagues from internal departments are **polite** to me in my dealings with them.	8.61%	19.79%	71.60%	3.88 (0.989)	1		
S7.4	My colleagues from internal departments have **adequate knowledge** to answer my questions.	10.15%	19.45%	70.40%	3.84 (1.019)	3		

Code	Item	SD + D	N	A + SA	Item mean (SD)	Item rank	Dimension mean (SD)	Dimension rank
Empathy								
S9.1	Our business is set up in such a way that my colleagues from internal departments can give me **individual (one-on-one) attention**.	16.18%	19.10%	64.72%	3.68 (1.057)	5	3.80 (0.866)	3
S9.2	When my colleagues from internal departments provide service to me, they **listen to my needs** and respond with personal attention.	9.29%	20.83%	69.88%	3.83 (0.950)	3		
S9.3	When my colleagues from internal departments provide service to me, they **understand my specific needs**.	8.95%	21.34%	69.71%	3.85 (0.960)	2		
S9.4	My colleagues from internal departments have **my best interests at heart** when delivering services to me.	11.02%	26.16%	62.82%	3.74 (0.998)	4		
S9.5	My colleagues from internal departments have **operating hours convenient** to serve me.	9.98%	17.04%	72.98%	3.88 (0.976)	1		
Overall scores (across items and dimensions)		12.13%	22.75%	65.12%	N/A	N/A	3.74 (0.754)	N/A

Note: SD = Standard deviation.

Words marked in bold were marked accordingly in the online questionnaire.

Items with “equal means” are ranked according to the SD, with lower SD’s ranked higher

Source: Compiled by the researcher

In view of the data presented previously, as well as the data presented in Table 4.5 and Figure 4.3, a few key observations were made across all 22 items.

- The ratings related to internal service quality reflected lower levels of agreement than the ratings related to frontline employee service quality across all five dimensions. With the aid of the means, Figure 4.4 summarises these differences, and reflects them from the greatest on the left, to least on the right.

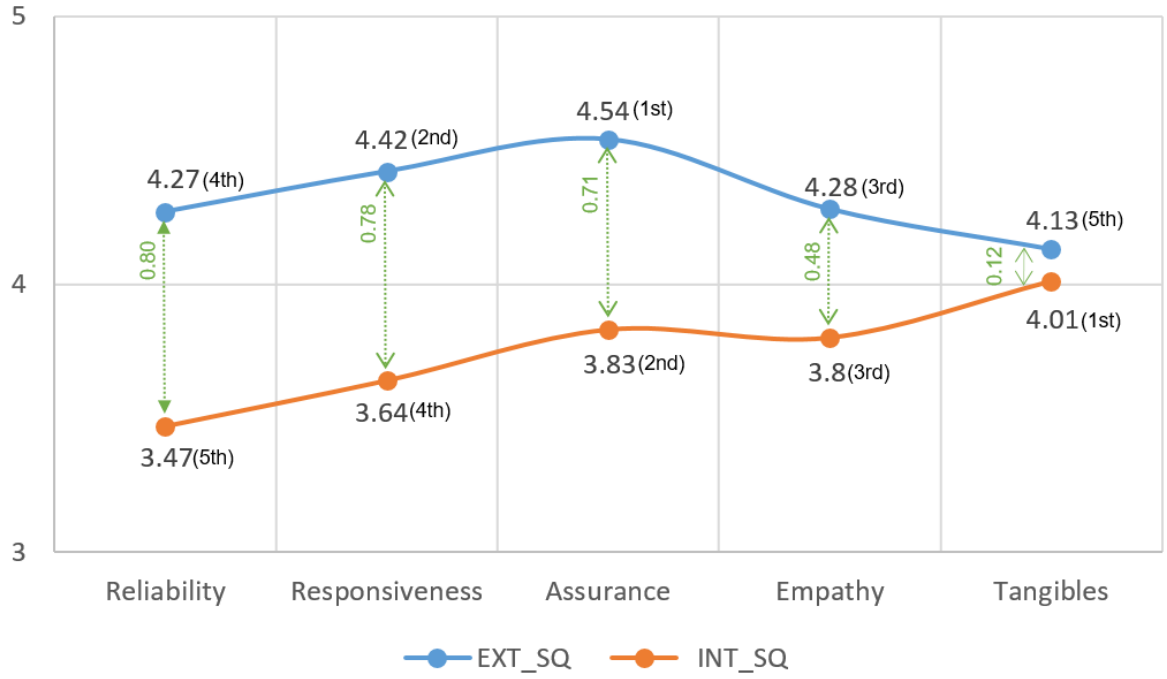


Figure 4.4: Differences between internal service quality and frontline employee service quality

Source: Compiled by the researcher

- The findings reflect the greatest differences for the dimensions of Reliability, Responsiveness and Assurance, with these differences in a similar range. Empathy reflected the next-greatest difference, while Tangibles reflected the least difference in mean scores.
- The levels of agreement in the category of 'neutral' were considered to be high. Dimensions with higher responses in the neutral category had lower means and *vice versa* (i.e. there was an inverse correlation).
- Overall, the findings suggest that the respondents consider internal service quality to be moderate.

The dimension that ranked highest is Tangibles, while the dimension that ranked lowest is Reliability.

Key observations with regard to each of the five dimensions, from the highest-scoring dimension to the lowest-scoring dimension are as follows.

Tangibles (mean = 4.07)

For the ratings relating to internal departments being neat and well-dressed, as well as the visual appeal of dispatched materials, the respondents indicated higher levels of agreement, with scores above the dimension mean. For the ratings related to internal departments' access to up-to-date equipment and the comfort and attractiveness of their working environments, the respondents indicated lower levels of agreement.

Assurance (mean = 3.83)

The results reflect similar distributions of responses across the four items. The ratings related to the politeness, trustworthiness and knowledge of colleagues in internal departments, reflect higher levels of agreement, scoring marginally above the mean. For feeling safe in transactions administered by colleagues from internal departments, the respondents indicated lower levels of agreement, scoring marginally below the mean.

Empathy (mean = 3.80)

The results reflect similar distributions of responses across the five items. The ratings related to the convenience of internal departments' operating hours, and the extent to which they listen, understand and respond with personal attention, received higher levels of agreement, scoring above the dimension mean. The ratings related to internal departments acting in the best interests of the frontline employees, and the business being set up to allow for one-on-one attention, showed the lowest levels of agreement.

Responsiveness (mean = 3.64)

The ratings relating to internal departments informing frontline employees when to expect service delivery and being willing to help, received higher levels of agreement, scoring above the dimension mean. The levels of agreement were lower for internal departments providing fast and efficient service, which scored below the dimension mean. For response time to frontline employees requests (short waiting times and calls being returned promptly), the respondents reflected the lowest levels of agreement, resulting in a mean score notably lower than the dimension mean.

Reliability (mean = 3.47)

The results across the five items reflect similar distributions of responses. The ratings relating to internal departments performing services correctly the first time and being sympathetic and reassuring to problems faced by frontline employees, reflected higher levels of agreement, with scores above the dimension mean. The levels of agreement were lower for internal departments providing services timeously and providing error-free information. The lowest levels of agreement were recorded for internal departments delivering upon promises by a certain time.

This section reported on the descriptive statistics for the measurement items used to determine internal service quality. The next section reports on the descriptive statistics for the measurement items used to determine service climate.

4.4.3 Results for service climate

Figure 4.5 presents the responses captured for the eight measurement items used to determine service climate.

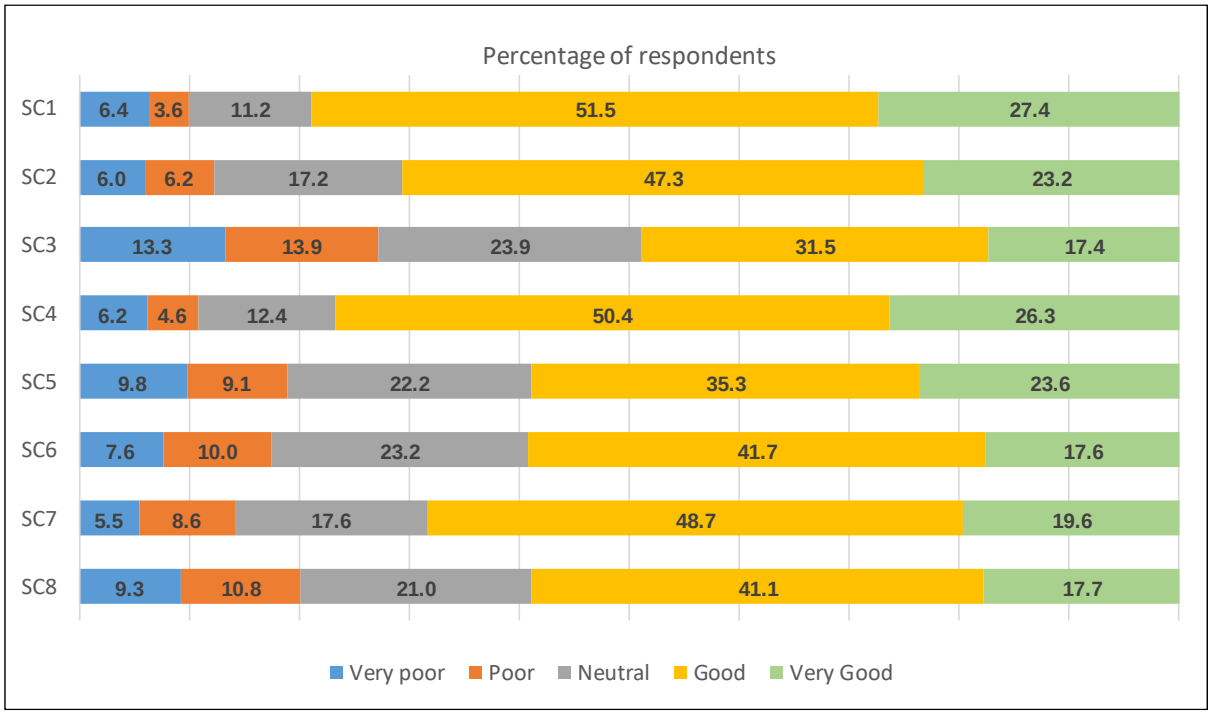


Figure 4.5: Percentage distribution of respondents' responses: Service climate

Source: Compiled by the researcher

Table 4.6 reflects the corresponding items in full and provides further descriptive statistics to summarise the responses.

Table 4.6: Summary of responses: Service climate

Code	Item: All sentences began with: How would you rate? …	VP + P	N	G + VG	Mean score (SD)	Item rank	Construct Mean
SC1	The job **knowledge and skills** of employees in your branch to deliver quality work and service?	9.98%	11.19%	78.83%	3.90 (1.046)	1	3.62 (0.953)
SC2	The **efforts to measure and track the quality** of the work and service in your branch?	12.22%	17.21%	70.57%	3.76 (1.066)	3	
SC3	The **recognition and rewards** employees receive for the delivery of superior work and service?	27.19%	23.92%	48.88%	3.26 (1.271)	8	
SC4	The **overall quality of service** provided by your branch?	10.84%	12.39%	76.76%	3.86 (1.055)	2	
SC5	The **leadership shown by management** in your branch in supporting the service quality effort?	18.93%	22.20%	58.86%	3.54 (1.222)	5	
SC6	The **effectiveness of your branch's communications** efforts to **employees**?	17.56%	23.24%	59.21%	3.52 (1.121)	6	
SC7	The **effectiveness of your branch's communications** efforts to **customers**?	14.11%	17.56%	68.33%	3.68 (1.055)	4	
SC8	The **tools, technology, and other resources** provided to employees to support the delivery of superior quality work and service?	20.14%	21.00%	58.86%	3.47 (1.175)	7	

Note: SD = Standard deviation.

Words marked in bold were marked accordingly in the online questionnaire.

Source: Compiled by the researcher

The data presented in Table 4.7 and Figure 4.4 suggests that overall, the respondents consider the service climate to be moderate. For the ratings related to the knowledge and skills of employees to deliver quality work and service, as well as the overall quality of service provided by the branch, the respondents indicated higher levels of agreement. The respondents also rated the efforts to measure and track quality as high. However, the items related to elements outside their control, namely, branch communication, tools technology and resources, and leadership, received lower ratings, with recognition and rewards for superior service delivery receiving the lowest rating.

This section reported on the descriptive statistics for the measurement items used to determine service climate. The next section reports on the descriptive statistics for the measurement items used to determine frontline employee satisfaction.

4.4.4 Results for frontline employee satisfaction

Figure 4.6 presents the responses captured for the six measurement items used to determine frontline employee satisfaction.

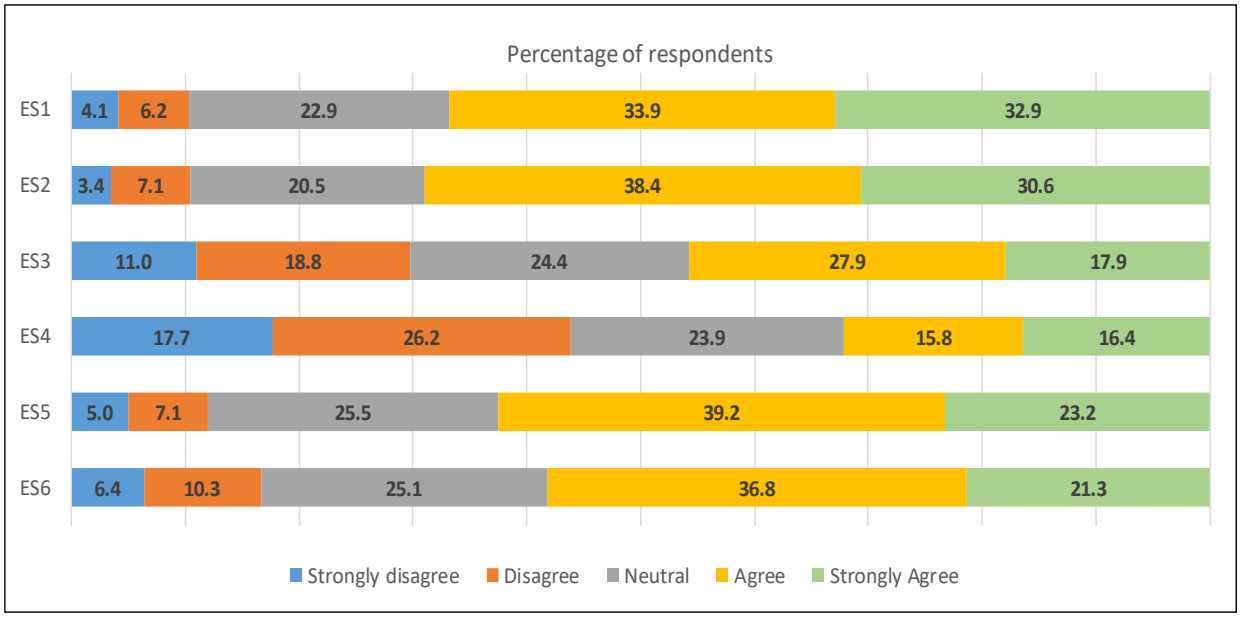


Figure 4.6: Percentage distribution of respondents' responses: Frontline employee satisfaction

Source: Compiled by the researcher

Table 4.7 reflects the corresponding items in full and provides further descriptive statistics to summarise the responses.

Table 4.7: Summary of responses: Frontline employee satisfaction

Code	Item	SD + D	N	A + SA	Mean score (SD)	Item rank	Construct Mean
ES1	I find **real enjoyment** in my job.	10.33%	22.89%	66.78%	3.85 (1.076)	2	3.51 (0.881)
ES2	I **like my job** better than the average person.	10.50%	20.48%	69.02%	3.86 (1.042)	1	
ES3	I am **seldom bored** with my job.	29.78%	24.44%	45.78%	3.23 (1.254)	5	
ES4	I would **not consider** taking another kind of job.	43.89%	23.92%	32.19%	2.87 (1.330)	6	
ES5	Most days I am **enthusiastic** about my job.	12.05%	25.47%	62.48%	3.69 (1.059)	3	
ES6	I feel **fairly well satisfied** with my job.	16.70%	25.13%	58.18%	3.56 (1.124)	4	

Note: SD = Standard deviation.

Words marked in bold were marked accordingly in the online questionnaire.

Source: Compiled by the researcher

The data presented in Table 4.7 and Figure 4.6 suggests that overall, the respondents consider frontline employee satisfaction to be moderate. The ratings relating to respondents' enjoyment of their jobs, liking their jobs, being enthusiastic about their jobs and being satisfied with their jobs reflected higher levels of agreement, with the scores falling above the construct mean. A lower score is reflected for respondents seldom being bored, whilst the lowest score is reflected for respondents not considering taking other kinds of jobs. For these two items (Item ES3 and ES4), it appears that respondents may have been confused by the negative phrasing in these item, and they may have perceived strong disagreement to be an indication of the highest employee satisfaction. This is considered further during the factor analysis.

Section 4.4 reported on and discussed the descriptive statistics for the individual items within each of the four constructs. The next section reports on the third stage of the data analysis, namely, confirmatory factor analysis.

4.5 CONFIRMATORY FACTOR ANALYSIS AND REPORTING

This section reports on the third stage of the data analysis, confirmatory factor analysis (CFA), as discussed in Chapter 3, Section 3.8.3.

CFA is reported for each of the four constructs (Section 4.5.1 to 4.5.4) under the following headings: Analysing construct validity; Analysing model diagnostics and Reporting on finalised model. Thereafter, the discriminant validity is reported for the four constructs (Section 4.5.5).

4.5.1 CFA and reporting on frontline employee service quality (EXT-SQ)

CFA was employed to test whether frontline employee service quality, as measured by the five dimensions and 22 items, could be confirmed in this study. In light of the fact that the theory comes first in CFA, Table 4.8 outlines the factors and items used in the questionnaire.

Thereafter, the baseline model for frontline employee service quality is presented in Figure 4.7, followed by the associated model fit statistics in Table 4.9 which aid the analysis of construct validity.

Table 4.8: Factorial structure used to measure frontline employee service quality

Factorial code	Item code	Dimension	Item
E4	S2.1	Tangibles	Our branch has up-to-date equipment.
E3	S2.2		Our branch's facilities are visually appealing.
E2	S2.3		I am neat and well-dressed when serving my customers.
E1	S2.4		The customer-related materials used at our branch (e.g. pamphlets, bank statements, cards) are visually appealing.
E9	S4.1	Reliability	When I promise a customer that I will do something by a certain time, I do so.
E8	S4.2		When a customer has problems, I am sympathetic and reassuring.
E7	S4.3		The service I provide to customers is performed correctly the first time.
E6	S4.4		The service I provide to customers is performed at the time it is promised to the customer.
E5	S4.5		My branch's customer-related records are error-free.
E13	S6.1	Responsiveness	I communicate clearly with customers as to when specific services will be performed or completed.
E12	S6.2		I give fast and efficient service to my customers.
E11	S6.3		I am willing to assist customers.
E10	S6.4		I am not too busy to respond promptly to my customers' requests. E.g. customers' waiting time or queuing time is usually short.
E17	S8.1	Assurance	Customers can trust me to assist them with their service request.
E16	S8.2		Customers can feel safe in the transactions I administer on their behalf.
E15	S8.3		I am polite and courteous to my customers.
E14	S8.4		I have adequate knowledge to answer my customers' questions.
E22	S10.1	Empathy	Our branch is set up in such a way that customers may receive individual (one-on-one) attention.
E21	S10.2		When I serve a customer, I listen to their needs and respond with personal attention.
E20	S10.3		When I serve a customer, I understand their specific needs.
E19	S10.4		Our products/services have the clients' best interest at heart.
E18	S10.5		Our branch's operating hours are convenient for our customers.

Source: Compiled by the researcher

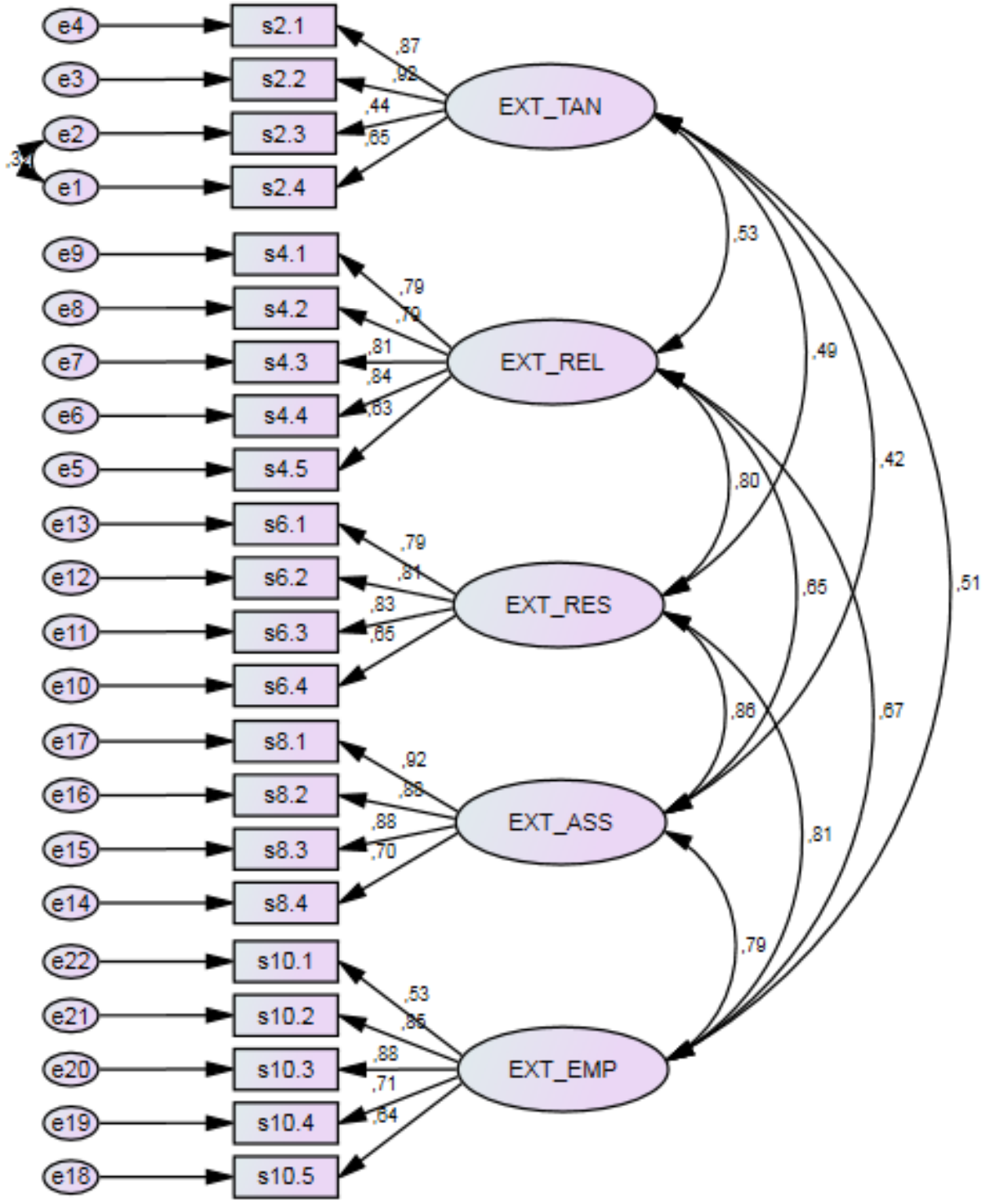


Figure 4.7: Baseline model for frontline employee service quality

Source: Compiled by the researcher

Table 4.9: Model fit statistics for frontline employee service quality

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if Item Deleted)	Cronbach's alpha	Composite reliability	Average Variance Extracted (AVE)	Factor loadings
2.1	3.69 (1.173)	4.13 (0.766)	0.708	0.813	0.823	0.554	0.87
2.2	3.84 (1.129)		0.683				0.92
2.3	4.69 (0.570)		0.844				0.44
2.4	4.31 (0.834)		0.764				0.65
4.1	4.37 (0.723)	4.27 (0.615)	0.834	0.869	0.883	0.603	0.79
4.2	4.48 (0.634)		0.843				0.79
4.3	4.35 (0.714)		0.831				0.81
4.4	4.37 (0.743)		0.818				0.85
4.5	3.79 (0.945)		0.883				0.63
6.1	4.35 (0.712)	4.42 (0.601)	0.773	0.835	0.855	0.598	0.71
6.2	4.42 (0.697)		0.764				0.81
6.3	4.66 (0.572)		0.786				0.83
6.4	4.23 (0.915)		0.850				0.65

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if Item Deleted)	Cronbach's alpha	Composite reliability	Average Variance Extracted (AVE)	Factor loadings
8.1	4.57 (0.605)	4.54 (0.560)	0.847	0.902	0.911	0.722	0.92
8.2	4.56 (0.632)		0.858				0.88
8.3	4.62 (0.611)		0.865				0.88
8.4	4.39 (0.698)		0.924				0.70
10.1	3.92 (1.074)	4.28 (0.637)	0.839	0.821	0.849	0.537	0.53
10.2	4.48 (0.650)		0.768				0.85
10.3	4.45 (0.657)		0.762				0.88
10.4	4.27 (0.836)		0.768				0.72
10.5	4.27 (0.882)		0.795				0.64
Overall scores (across items and dimensions)		4.33 (0.527)	N/A	0.940	0.970	0.600	N/A

Note: SD = Standard deviation

Scores: 1 = Strongly Disagree, 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

Source: Compiled by the researcher

4.5.1.1 Analysing construct validity (EXT-SQ)

This section reports on the tests that were conducted to inspect the convergent and discriminant validity relating to the frontline employee service quality results.

Convergent validity

With reference to Table 4.9, the following methods were used to estimate the relative amount of convergent validity among the item measures: Cronbach's alpha, Composite reliability, Average variance extracted, and Factor loadings.

Cronbach's alpha and Composite reliability: All values exceeded the minimum threshold of 0.7 required for Cronbach's alpha and Composite reliability, thus confirming that the construct, as well as the five dimensions, reflect sufficient reliability in the form of internal consistency.

Average variance extracted (AVE): All values exceeded the minimum threshold of 0.5, thus confirming that the construct, as well as the five dimensions, reflect sufficient variance in relation to the variance due to measurement error.

Factor loadings: The lowest score amongst the 22 individual items, was 0.44. This loading was on S2.3 (I am neat and well-dressed at all times) and was the only score that did not exceed the recommended value of 0,5. Hair *et al.* (2014) note that values greater than 0.30 are considered acceptable for practical significance when sample sizes are greater than 350. For the following reasons, it was decided to keep this item:

- The sample size for this study (n = 581) is larger than 350;
- The item is seen as important in the context of tangible aspects relating to frontline employee service quality;
- The item is represented in corresponding form on the internal service quality measuring instrument (Item S1.3 – with a loading score of 0.68). By keeping this item in both the external and internal service quality measuring instruments respectively, it strengths the validity of relationship measures between these constructs.

Overall, the results for the frontline employee service quality measuring instrument demonstrate sufficient convergent validity.

Discriminant validity

Table 4.10 lists the correlation matrix with the correlation among constructs and the square root AVE on the diagonal.

Table 4.10: Inter-construct correlations and shared variance (EXT-SQ)

Frontline employee service quality dimensions	EXT_TAN	EXT_REL	EXT_RES	EXT_ASS	EXT_EMP
Tangibles (EXT_TAN)	**0.744**				
Reliability (EXT_REL)	0.566	**0.776**			
Responsiveness (EXT_RES)	0.521	0.710	**0.774**		
Assurance (EXT_ASS)	0.483	0.585	0.749	**0.850**	
Empathy (EXT_EMP)	0.590	0.603	0.667	0.661	**0.733**

Note: Diagonal elements in bold are the square root of Average variance extracted. The other values are the inter-construct correlations.

Source: Compiled by the researcher

As reflected in Table 4.10, although the correlation values can be regarded as being moderate to high, the squared root of the AVE for each dimension is greater than the correlations between that dimension and the other dimensions, confirming that discriminant validity does indeed exist for each of the five dimensions.

4.5.1.2 Analysing model diagnostics (EXT-SQ)

This section focuses on the model diagnostics relating to the frontline employee service quality results. Table 4.11 presents the model fit statistics for the frontline employee service quality measuring instrument, along with the proposed minimum thresholds.

Table 4.11: Goodness-of-fit indices of the CFA for frontline employee service quality

Goodness-of-fit indices	CMIN (X2)	df	p	CMIN/ df	RMSEA	CFI	TLI	IFI	AGFI	NFI
Score	888.57	198	0.000	4.488	0.078	0.921	0.908	0.921	0.835	0.901
Indicate acceptable fit	-	-	-	<5	≤ 0.08	≥ 0.90	≥ 0.90	≥ 0.90	> .80	≥ 0.90

Note: CMIN/df = Normed chi-squared/degrees off); RMSEA = Root mean square error of approximation; CFI = Comparative fit index; TLI = Tucker-Lewis index; IFI = Bollen's incremental fit index; AGFI = Adjusted goodness-of-fit index; NFI = Normed fit index.

Source: Compiled by the researcher

Table 4.11 reflects that the scores of all the fit indices were in line with the proposed minimum thresholds. Accordingly, it was decided that the scores suggest an acceptable model fit for frontline employee service quality.

4.5.1.3 Reporting on finalised model (EXT-SQ)

In light of the baseline model for frontline employee service quality being accepted as the finalised model, the mean and standard deviation reported in the descriptive statistics in Section 4.4.1 remain unchanged.

Figure 4.8 below reflects the distribution of scores for frontline employee service quality, with the mean and standard deviation reflected on the top right of the figure.

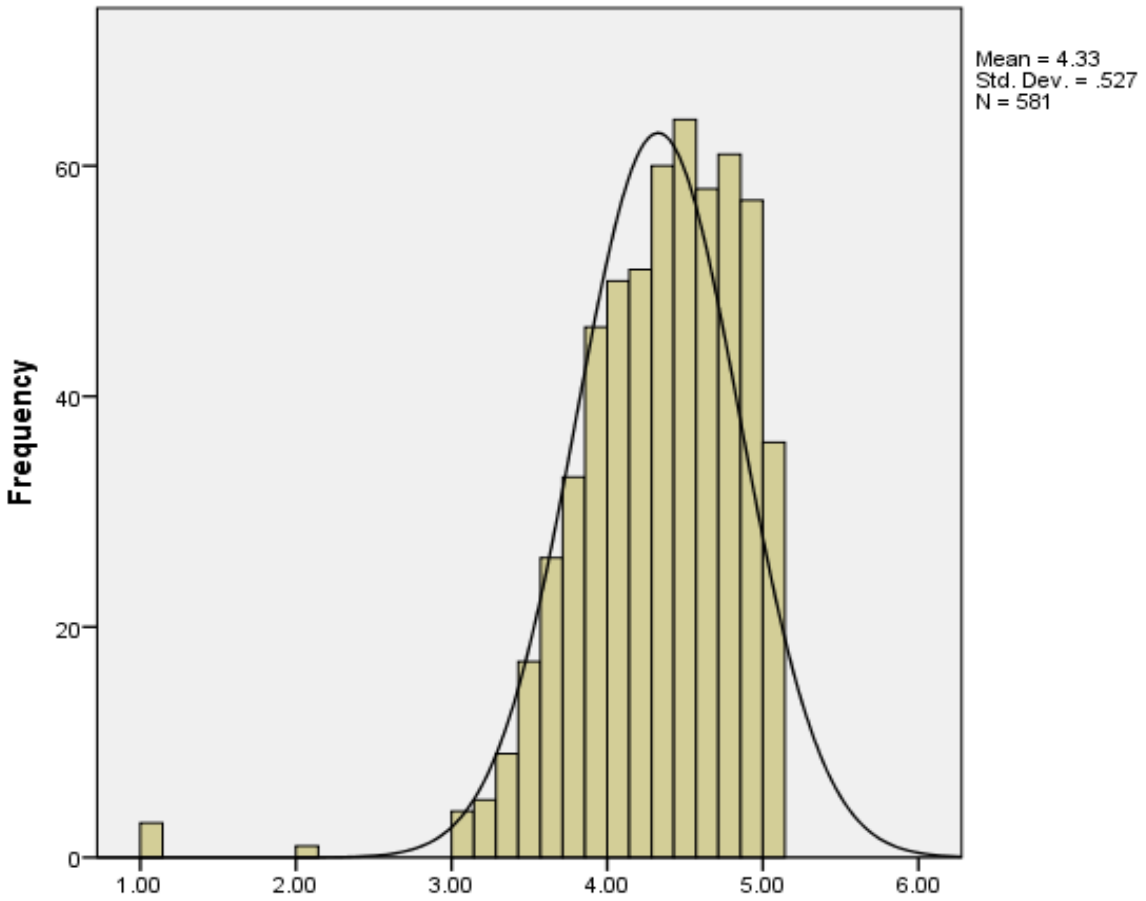


Figure 4.8: Distribution of responses for frontline employee service quality

Note: All minimums and maximums are between 1 and 5.

Bars are positioned by default on the right of the mark.

Source: Compiled by the researcher

The mean score of 4.33 suggests that the respondents consider frontline employee service quality to be high. The distribution of responses for frontline employee service quality is negatively skewed, with a standard deviation of 0.527. In lieu of the range of potential responses on the Likert scale being 1 to 5, this standard deviation is interpreted as low, suggesting consistent results.

4.5.2 CFA and reporting on internal service quality (INT-SQ)

CFA was employed to test whether internal service quality, as measured by the five dimensions and 22 items, could be confirmed in this study. In light of the fact that the theory comes first in CFA, Table 4.12 outlines the factors and items used in the questionnaire.

Table 4.12: Factorial structure used to measure internal service quality

Factorial Code	Item code	Dimension	Item
E4	S1.1	Tangibles	My colleagues in internal departments have access to up-to-date equipment.
E3	S1.2		My colleagues in internal departments have working environments which are comfortable and attractive.
E2	S1.3		My colleagues in internal departments are neat and well-dressed.
E1	S1.4		The materials dispatched to me by my colleagues from internal departments (e.g. manuals, instruction/information leaflets) are visually appealing.
E9	S3.1	Reliability	When colleagues in internal departments promise to do something by a certain time, they do so.
E8	S3.2		When I experience problems, my colleagues in internal departments are sympathetic and reassuring.
E7	S3.3		The services I receive from my colleagues in internal departments are performed correctly the first time.
E6	S3.4		My colleagues from internal departments provide services to me at the time they promise to do so.
E5	S3.5		The information I receive from my colleagues in internal departments is error-free.
E13	S5.1	Responsiveness	When I submit a service request internally, I am informed when to expect service delivery.
E12	S5.2		My colleagues from internal departments provide me with fast and efficient service.
E11	S5.3		My colleagues from internal departments are willing to help me.
E10	S5.4		My colleagues from internal departments are not too busy to respond promptly to my requests. E.g. calls are not put on hold, calls are returned, waiting times are short.
E17	S7.1	Assurance	I can trust my colleagues from internal departments with my service request to them.
E16	S7.2		I feel safe in the transactions my colleagues from internal departments administer on my behalf.
E15	S7.3		My colleagues from internal departments are polite to me in my dealings with them.
E14	S7.4		My colleagues from internal departments have adequate knowledge to answer my questions.

Factorial Code	Item code	Dimension	Item
E22	S9.1	Empathy	Our business is set up in such a way that my colleagues from internal departments can give me individual (one-on-one) attention.
E21	S9.2		When my colleagues from internal departments provide service to me, they listen to my needs and respond with personal attention.
E20	S9.3		When my colleagues from internal departments provide service to me, they understand my specific needs.
E19	S9.4		My colleagues from internal departments have my best interests at heart when delivering services to me.
E18	S9.5		My colleagues from internal departments have operating hours convenient to serve me.

Source: Compiled by the researcher

The baseline model for internal service quality is presented in Figure 4.9, followed by the associated model fit statistics in Table 4.13, which aid the analysis of construct validity.

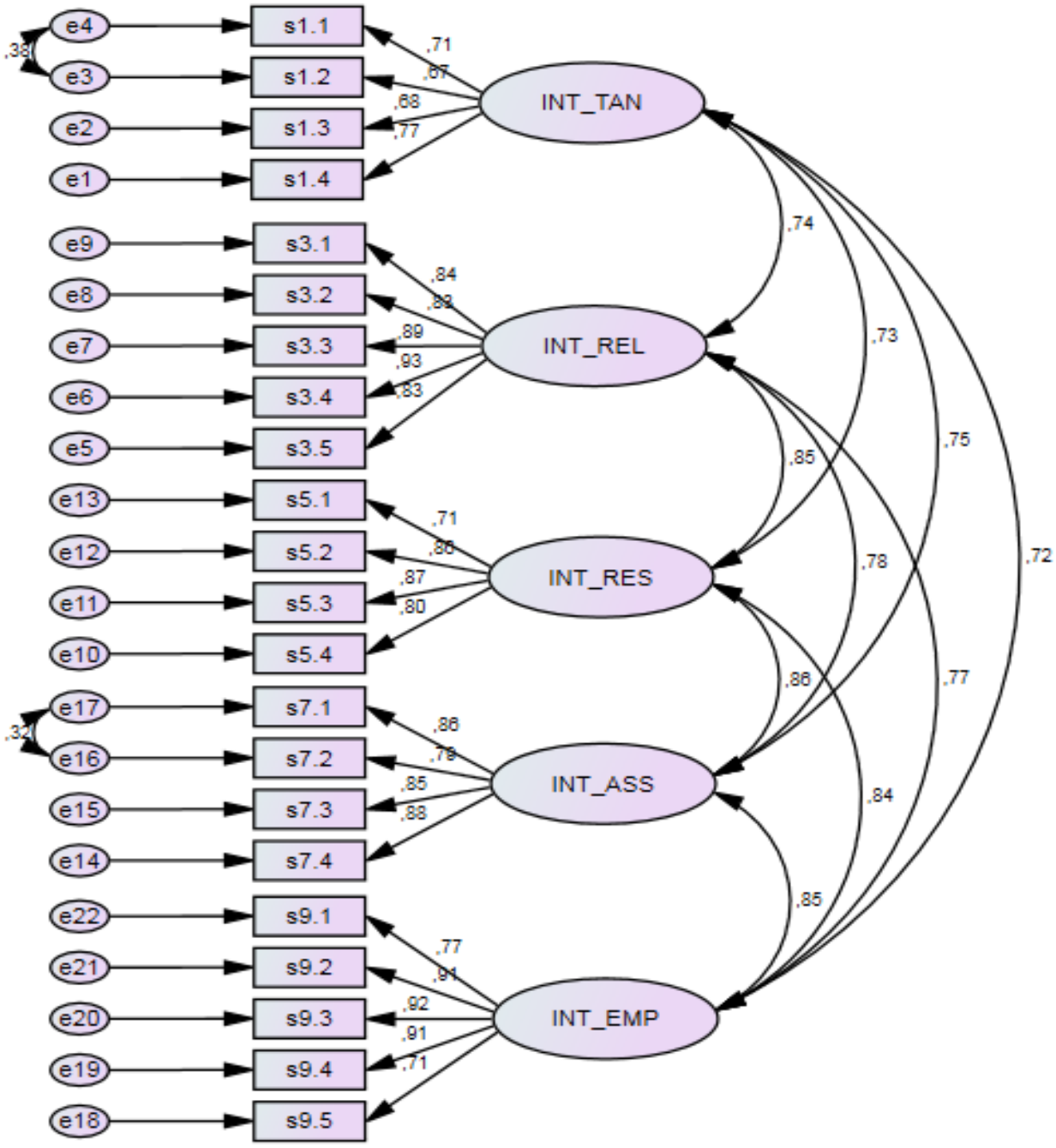


Figure 4.9: Baseline model for internal service quality

Source: Compiled by the researcher

Table 4.13: Model fit statistics for internal service quality

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if item deleted)	Cronbach's alpha	Composite reliability	Average Variance Extracted (AVE)	Factor loadings
1.1	3.91 (0.935)	4.01 (0.734)	0.746	0.819	0.800	0.500	0.71
1.2	3.89 (0.931)		0.760				0.67
1.3	4.20 (0.903)		0.808				0.68
1.4	4.04 (0.880)		0.769				0.77
3.1	3.36 (1.085)	3.47 (0.951)	0.923	0.934	0.936	0.744	0.84
3.2	3.52 (1.098)		0.925				0.83
3.3	3.57 (1.062)		0.914				0.89
3.4	3.45 (1.083)		0.906				0.93
3.5	3.45 (1.014)		0.927				0.83
5.1	3.84 (0.955)	3.64 (0.883)	0.877	0.880	0.886	0.661	0.71
5.2	3.60 (1.029)		0.818				0.86
5.3	3.80 (0.947)		0.826				0.87
5.4	3.34 (1.174)		0.860				0.80

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if item deleted)	Cronbach's alpha	Composite reliability	Average Variance Extracted (AVE)	Factor loadings
7.1	3.85 (0.939)	3.83 (0.878)	0.883	0.916	0.910	0.718	0.86
7.2	3.77 (0.981)		0.898				0.79
7.3	3.88 (0.989)		0.892				0.85
7.4	3.84 (1.019)		0.890				0.88
9.1	3.68 (1.057)	3.80 (0.866)	0.918	0.924	0.927	0.718	0.77
9.2	3.83 (0.950)		0.894				0.91
9.3	3.85 (0.960)		0.896				0.92
9.4	3.74 (0.998)		0.895				0.91
9.5	3.88 (0.976)		0.928				0.71
Overall scores (across items and dimensions)		3.74 (0.754)	N/A	0.965	0.978	0.674	N/A

Note: SD = Standard deviation

Scores: 1 = Strongly Disagree, 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

Source: Compiled by the researcher

4.5.2.1 Analysing construct validity (INT-SQ)

This section reports on the tests that were conducted to check the convergent and discriminant validity relating to the internal service quality results.

Convergent validity (See Table 4.13)

Cronbach's alpha and Composite reliability: All values exceeded the minimum threshold of 0.7 required for Cronbach's alpha and Composite reliability. Accordingly, the construct, as well as the five dimensions, reflect sufficient reliability in the form of internal consistency.

Average variance extracted (AVE): All values exceeded the minimum threshold of 0.5. Accordingly, the construct, as well as the five dimensions, reflect sufficient variance in relation to the variance due to measurement error.

Factor loadings: All values exceeded the minimum threshold of 0.5, demonstrating that all items sufficiently converge on a common point.

Overall, the results for the internal service quality measuring instrument demonstrate sufficient convergent validity.

Discriminant validity

Table 4.14 lists the correlation matrix with the correlation among the constructs and the square root AVE on the diagonal.

Table 4.14: Inter-construct correlations and shared variance (INT-SQ)

Internal service quality dimensions	INT_TAN	INT_REL	INT_RES	INT_ASS	INT_EMP
Tangibles (INT_TAN)	**0.707**				
Reliability (INT_REL)	0.641	**0.863**			
Responsiveness (INT_RES)	0.605	0.779	**0.813**		
Assurance (INT_ASS)	0.632	0.725	0.760	**0.847**	
Empathy (INT_EMP)	0.615	0.713	0.764	0.769	**0.848**

Note: Diagonal elements in bold are the square root of Average variance extracted.
The other values are the inter-construct correlations.

Source: Compiled by the researcher

As reflected in Table 4.14, although the correlation values can be regarded as being moderate to high, the squared root of the AVE for each dimension is greater than the correlations between that dimension and the other dimensions, confirming that discriminant validity does indeed exist for each of the five dimensions.

4.5.2.2 Analysing model diagnostics (INT-SQ)

This section focuses on the model diagnostics relating to the internal service quality results.

Table 4.15 presents the model fit statistics for the internal service quality measuring instrument along with the proposed minimum thresholds.

Table 4.15: Goodness-of-fit indices of the CFA for internal service quality

Goodness-of-fit indices	CMIN (X2)	df	p	CMIN/ df	RMSEA	CFI	TLI	IFI	AGFI	NFI
Score	486.709	197	0.000	2.471	0.05	0.974	0.969	0.974	0.907	0.957
Indicate acceptable fit	-	-	-	<5	≤ 0.08	≥ 0.90	≥ 0.90	≥ 0.90	> .80	≥ 0.90

Note: CMIN/df = Normed chi-squared/degrees off); RMSEA = Root mean square error of approximation; CFI = Comparative fit index; TLI = Tucker-lewis index; IFI = Bollen's incremental fit index; AGFI = Adjusted goodness of fit index; NFI = Normed fit index.

Source: Compiled by the researcher

Table 4.15 reflects that the scores of all the fit indices were in line with the proposed minimum thresholds. Accordingly, it was decided that the scores suggest an acceptable model fit for internal service quality.

4.5.2.3 Reporting on finalised model (INT-SQ)

In light of the baseline model for frontline employee service quality being accepted as the finalised model, the mean and standard deviation reported in the descriptive statistics in Section 4.4.1 remain unchanged.

Figure 4.10 reflects the distribution of scores for internal service quality, with the mean and standard deviation reflected on the top right.

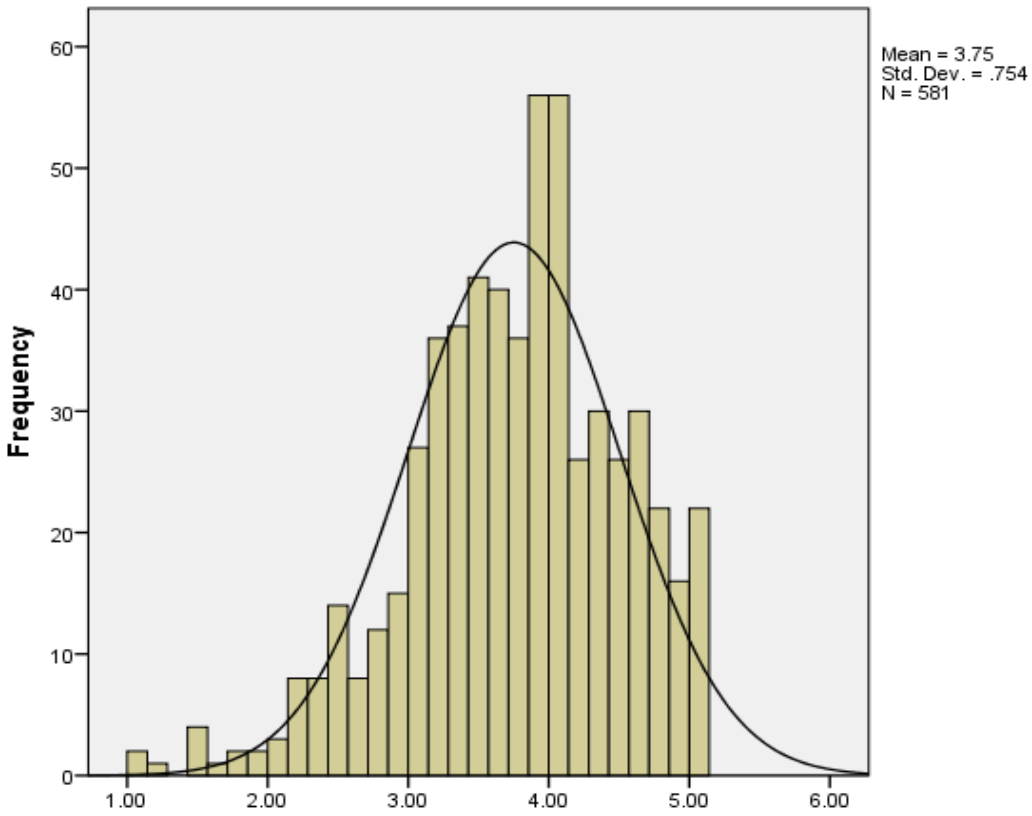


Figure 4.10: Distribution of responses for internal service quality

Note: All minimums and maximums are between 1 and 5.
Bars are positioned by default on the right of the mark.

Source: Compiled by the researcher

The mean score of 3.75 suggests that respondents consider internal service quality to be moderate. The distribution of responses for internal employee service quality is negatively skewed, with a standard deviation of 0.754. This standard deviation is higher than that of frontline employee service quality, reflecting a greater spread of responses for this construct.

4.5.3 CFA and reporting on service climate

CFA was employed to test whether service climate, as measured by the eight items, could be confirmed in this study. In light of the fact that the theory comes first in CFA, Table 4.16 outlines the factors and items used in the questionnaire.

Table 4.16: Factorial structure used to measure service climate

Factorial code	Item code	Item: All sentences began with: How would you rate…
E4	SC1	The job knowledge and skills of employees in your branch to deliver quality work and service?
E3	SC2	The efforts to measure and track the quality of the work and service in your branch??
E2	SC3	The recognition and rewards employees receive for the delivery of superior work and service?
E1	SC4	The overall quality of service provided by your branch?
E5	SC5	The leadership shown by management in your branch in supporting the service quality effort?
E6	SC6	The effectiveness of your branch's communications efforts to employees?
E7	SC7	The effectiveness of your branch's communications efforts to customers?
E8	SC8	The tools, technology, and other resources provided to employees to support the delivery of superior quality work and service?

Source: Compiled by the researcher

The baseline model for service climate is presented in Figure 4.11, followed by the associated model fit statistics in Table 4.17, which aid the analysis of construct validity.

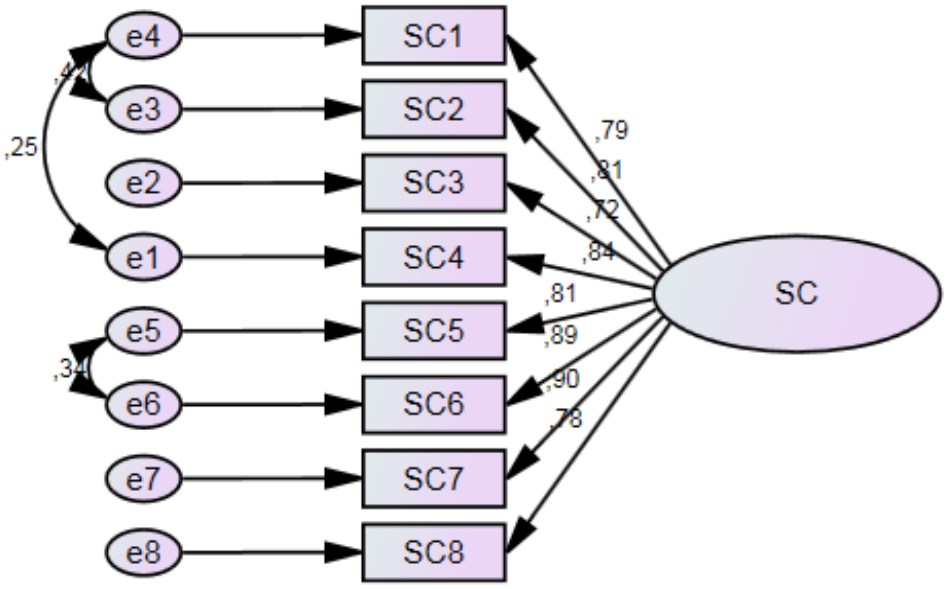


Figure 4.11: Baseline model for service climate

Source: Compiled by the researcher

Table 4.17: Model fit statistics for service climate

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if item deleted)	Cronbach's alpha	Composite reliability	Average Variance Extracted (AVE)	Factor loadings
SC1	3.90 (1.046)	3.62 (0.953)	0.935	0.942	0.940	0.671	0.79
SC2	3.76 (1.066)		0.934				0.81
SC3	3.26 (1.271)		0.943				0.72
SC4	3.86 (1.055)		0.933				0.84
SC5	3.54 (1.222)		0.934				0.82
SC6	3.52 (1.121)		0.930				0.89
SC7	3.68 (1.055)		0.931				0.90
SC8	3.47 (1.175)		0.937				0.79

Note: SD = Standard deviation

Scores: 1 = Very poor, 2 = Poor; 3 = Neutral; 4 = Good; 5 = Very good

Source: Compiled by the researcher

4.5.3.1 Analysing construct validity (service climate)

This section reports on the tests that were carried out to check the convergent and discriminant validity relating to the service climate results.

Convergent validity (See Table 4.17)

Cronbach's alpha and Composite reliability: All values exceeded the minimum threshold of 0.7 required for Cronbach's alpha and composite reliability, thus confirming sufficient reliability in the form of internal consistency.

Average variance extracted (AVE): All values exceeded the minimum threshold of 0.5, thus confirming that the construct reflects sufficient variance in relation to the variance due to measurement error.

Factor loadings: All values exceeded the minimum threshold of 0.5, demonstrating that all items sufficiently converge on a common point.

Overall, the results for the service climate measuring instrument demonstrate sufficient convergent validity.

4.5.3.2 Analysing model diagnostics (service climate)

This section focuses on the model diagnostics relating to the service climate results. Table 4.18 presents the model fit statistics for the service climate scale measuring instrument, with the proposed minimum thresholds.

Table 4.18: Goodness-of-fit indices of the CFA for service climate

Goodness-of-fit indices	CMIN (X2)	df	p	CMIN/ df	RMSEA	CFI	TLI	IFI	AGFI	NFI
Indice	166.822	17	0.000	9.813	0.123	0.963	0.94	0.964	0.868	0.96
Indicate acceptable fit	-	-	-	<5	≤ 0.08	≥ 0.90	≥ 0.90	≥ 0.90	> .80	≥ 0.90

Note: CMIN/df = Normed chi-squared/degrees off); RMSEA = Root mean square error of approximation; CFI = Comparative fit index; TLI = Tucker-lewis index; IFI = Bollen's incremental fit index; AGFI = Adjusted goodness of fit index; NFI = Normed fit index.

Source: Compiled by the researcher

The fit indices were considered against the proposed minimum thresholds. All the scores were in line, except the CMIN/df score and the RMSEA score. These two indices fall into a category of chi-square-based fit indices which measure discrepancy functions. Browne, MacCallum, Kim, Andersen and Glaser (2002) note that while these indices provide a range of plausible values for the index estimate, one needs to bear in mind that these indices are not measuring misfit alone, and that apparently large values need not, in fact, be unacceptable. Other authors too acknowledge concerns on indices based on chi-square, in the light of chi-square being affected by sample size, model size (in which models with more variables tend to have large chi-squared values) and distribution of variables (Hu & Bentler, 1999; Kline, 2011).

Taking this into account, in conjunction with the acceptable model-fit results for the CFI, TLI, IFI, AFFI and NFI indices, as well as the acceptable convergent validity, the baseline model presented in Figure 4.10 was accepted and retained as the finalised model.

4.5.3.3 Reporting on finalised model (service climate)

In light of the baseline model for frontline employee service quality being accepted as the finalised model, the mean and standard deviation reported in the descriptive statistics in Section 4.4.3 remain unchanged.

Figure 4.12 reflects the distribution of scores for service climate, with the mean and standard deviation reflected on the top right.

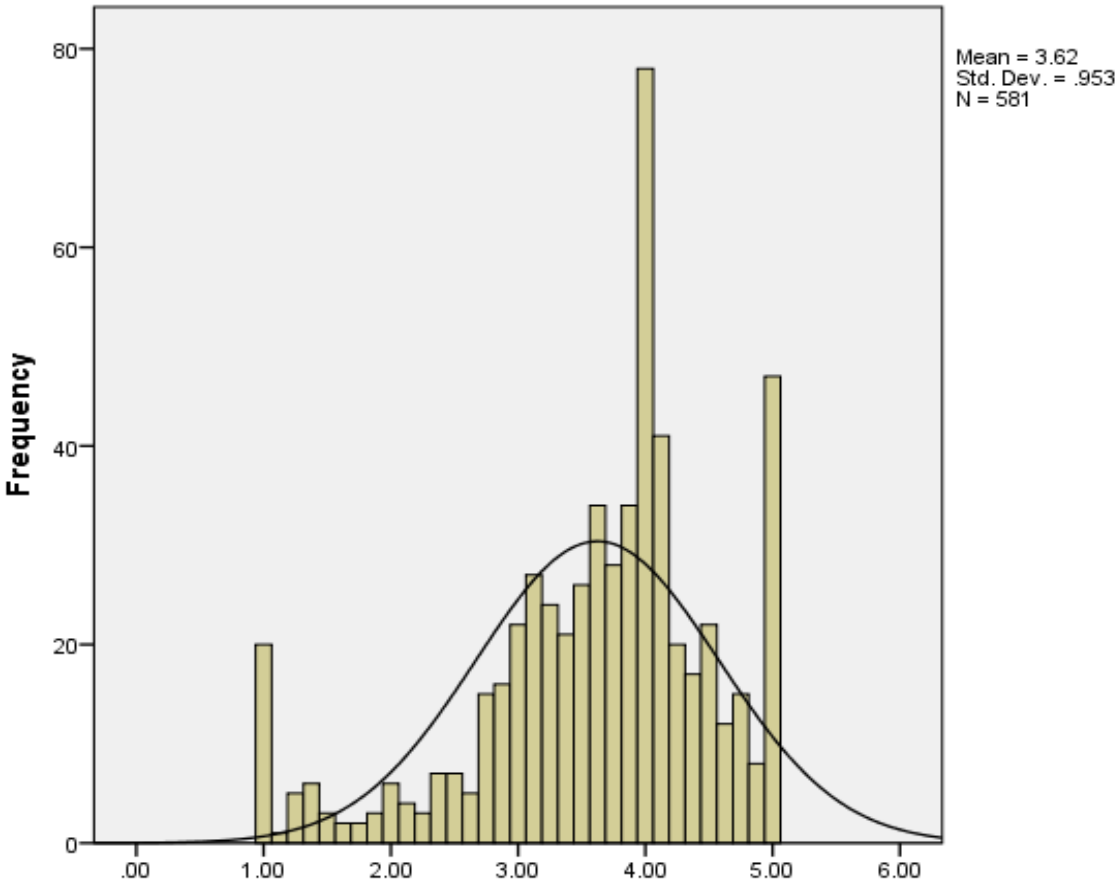


Figure 4.12: Distribution of responses for service climate

Note: All minimums and maximums are between 1 and 5.

Source: Compiled by the researcher

The mean score of 3.62 suggests that respondents consider service climate to be moderate. The distribution of responses for service climate is negatively skewed, with a standard deviation of 0.953. This is the highest standard deviation across all four constructs, reflecting less uniformity in the respondents' responses.

4.5.4 CFA and reporting on frontline employee satisfaction

CFA was employed to test whether employee satisfaction, as measured by the six items, could be confirmed in this study.

In light of the fact that the theory comes first in CFA, Table 4.19 outlines the factors and items used in the questionnaire.

Table 4.19: Factorial structure used to measure frontline employee satisfaction

Factorial code	Item code	Item
E4	ES1	I find real enjoyment in my job.
E3	ES2	I like my job better than the average person.
E2	ES3	I am seldom bored with my job.
E1	ES4	I would not consider taking another kind of job.
E5	ES5	Most days I am enthusiastic about my job.
E6	ES6	I feel fairly well satisfied with my job.

Source: Compiled by the researcher

The baseline model for employee satisfaction is presented in Figure 4.13, followed by the associated model fit statistics in Table 4.20, which aid the analysis of construct validity.

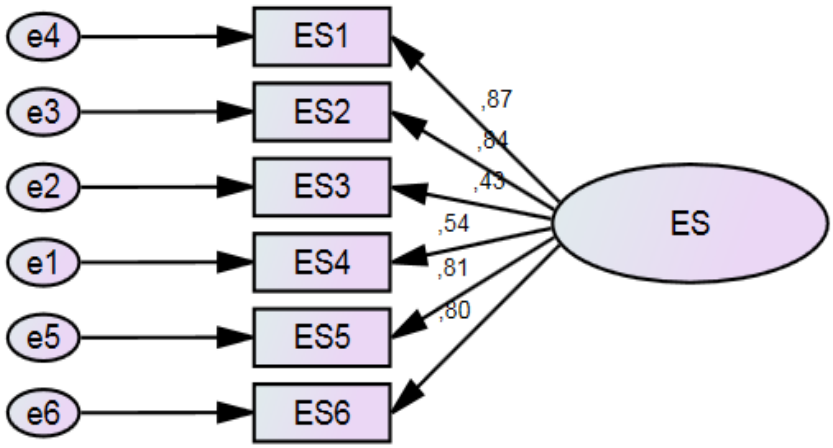


Figure 4.13: Baseline model for frontline employee satisfaction

Source: Compiled by the researcher

Table 4.20: Model fit statistics for frontline employee satisfaction

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if item deleted)	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)	Factor loadings
FLES1	3.85 (1.076)	3.51 (0.881)	0.820	0.857	0.869	0.539	0.87
FLES2	3.86 (1.042)		0.824				0.84
FLES3	3.23 (1.254)		0.871				0.43
FLES4	2.87 (1.330)		0.853				0.54
FLES5	3.69 (1.059)		0.815				0.81
FLES6	3.56 (1.124)		0.816				0.80

Note: SD = Standard deviation

Scores: 1 = Strongly Disagree, 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

Source: Compiled by the researcher

4.5.4.1 Analysing construct validity (frontline employee satisfaction)

This section reports on the tests that were carried out to check the convergent and discriminant validity relating to the frontline employee satisfaction results.

Convergent validity (See Table 4.20)

Cronbach's alpha and Composite reliability: All values exceeded the minimum threshold of 0.7 required for Cronbach's Alpha and composite reliability. Accordingly, the construct reflects sufficient reliability in the form of internal consistency.

Average variance extracted (AVE): All values exceeded the minimum threshold of 0.5. Accordingly, the construct reflects sufficient variance in relation to the variance due to measurement error.

Factor loadings: The lowest values for individual item loadings were on Items ES3 and ES4. In comparison to the loadings on the other items, these loadings were notably lower. Although Item ES3 was the only item which did not meet the recommended minimum value of 0.5, it was decided to drop both ES3 and ES4, in light of their lower loadings. As reported in Section 4.4.4, the respondents may have been confused by the negative phrasing in these two items, resulting in a distribution of responses incongruous to the distribution of responses on the other four items.

The modified model for employee satisfaction is presented in Figure 4.14, followed by the associated model fit statistics in Table 4.21, which aid the analysis of construct validity.

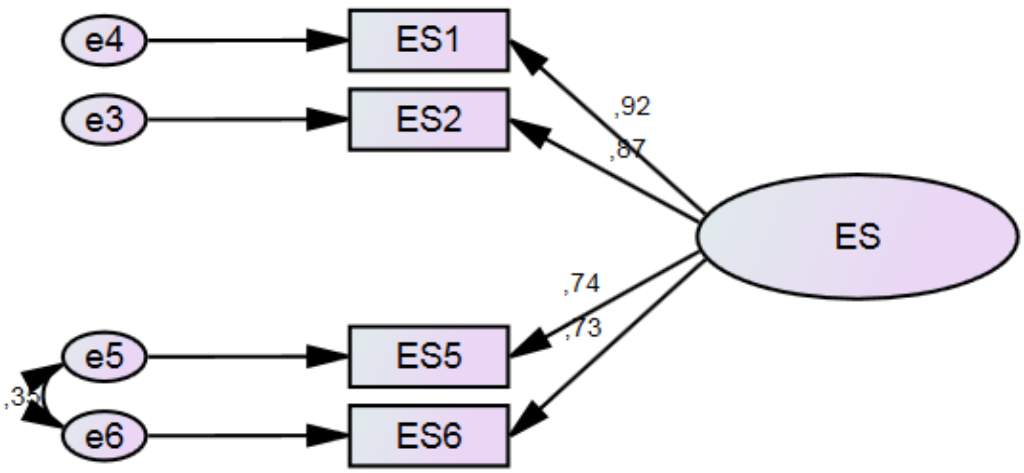


Figure 4.14: Modified model for frontline employee satisfaction

Source: Compiled by the researcher

Table 4.21: Modified model fit statistics for frontline employee satisfaction

Items	Item mean (SD)	Construct mean (SD)	Item-total correlation (Cronbach's alpha if item deleted)	Cronbach's alpha	Composite reliability	Variance explained	Factor loadings
FLES1	3.85 (1.076)	3.74 (0.941)	0.854	0.898	0.889	0.670	0.92
FLES2	3.86 (1.042)		0.865				0.87
FLES5	3.69 (1.059)		0.875				0.74
FLES6	2.87 (1.124)		0.879				0.73

Note: SD = Standard deviation

Scores: 1 = Strongly Disagree, 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly Agree

Source: Compiled by the researcher

The modified model, with ES3 and ES4 dropped, is analysed below.

Convergent validity (See Table 4.21)

Cronbach's alpha and Composite reliability: The relevant values in the revised model are improved, and exceed the minimum threshold of 0.7, thus confirming that the construct reflects sufficient reliability in the form of internal consistency.

Average variance extracted (AVE): The relevant values in the revised model are improved and exceed the minimum threshold of 0.5, thus confirming that the construct reflects sufficient variance in relation to the variance due to measurement error.

Factor loadings: In the revised model, the lowest value amongst the four items is 0.73. Accordingly, all values exceeded the minimum threshold of 0.5, demonstrating that all items sufficiently converge on a common point.

Overall, the results for the modified frontline employee satisfaction measuring instrument demonstrate sufficient convergent validity.

4.5.4.2 Analysing model diagnostics (frontline employee satisfaction)

This section focuses on the model diagnostics relating to the frontline employee service quality results.

Table 4.22 presents the model fit statistics for the modified frontline employee satisfaction measuring instrument, along with the proposed minimum thresholds.

Table 4.22: Goodness-of-fit indices of the CFA for frontline employee satisfaction

Goodness-of-fit indices	CMIN (X2)	df	p	CMIN/ df	RMSEA	CFI	TLI	IFI	AGFI	NFI
Indice	166.822	17	0.000	1.599	0.03	1.00	1.00	1.00	0.99	1.00
Indicate acceptable fit	-	-	-	<5	≤ 0.08	≥ 0.90	≥ 0.90	≥ 0.90	> .80	≥ 0.90

Note: CMIN/df = Normed chi-squared/degrees off); RMSEA = Root mean square error of approximation; CFI = Comparative fit index; TLI = Tucker-lewis index; IFI = Bollen's incremental fit index; AGFI = Adjusted goodness of fit index; NFI = Normed fit index.

Source: Compiled by the researcher

Table 4.22 indicates that all scores were in line with the proposed minimum thresholds. In light of the indices suggesting acceptable model fit for frontline employee satisfaction, the modified model was accepted as the finalised model.

4.5.4.3 Reporting on finalised model (frontline employee satisfaction)

In light of the baseline model being modified, there is a revised mean and standard deviation for the finalised model.

Figure 4.15 reflects the distribution of scores for the frontline employee satisfaction finalised model, with the mean and standard deviation reflected at the top right.

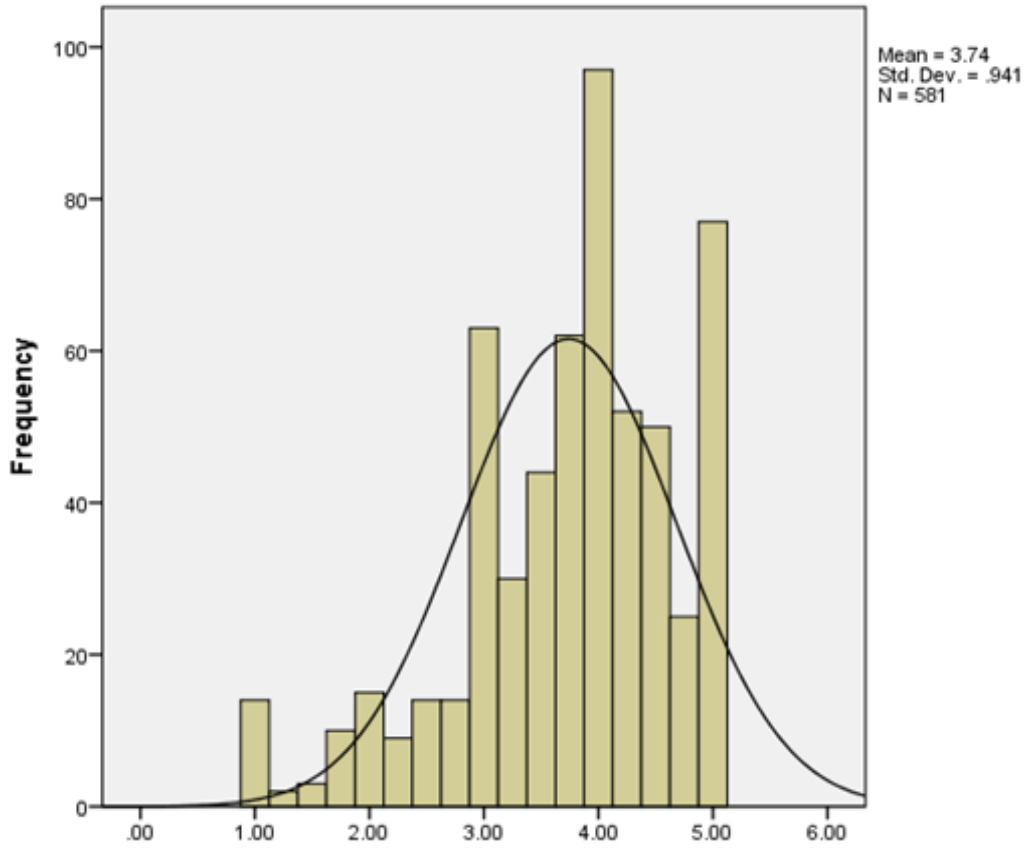


Figure 4.15: Distribution of responses for frontline employee satisfaction

Note: All minimums and maximums are between 1 and 5.

Source: Compiled by the researcher

The mean score of 3.74 suggests that respondents consider frontline employee satisfaction to be moderate. The distribution of responses for frontline employee satisfaction is negatively skewed, with a standard deviation of 0.941. Being the second highest standard deviation across the four constructs, this is indicative of a wide spread of responses.

Section 4.5.1 to 4.5.4 reported on the confirmatory factor analysis for the four constructs, as well as the means and standard deviations of the finalised models. The next section reports on the discriminant validity for the four constructs.

4.5.5 Inter-construct discriminant validity

This section reports on the discriminant validity for the four constructs in this study. Table 4.23 lists the correlation matrix with correlations among constructs and the square root AVE on the diagonal.

Table 4.23: Inter-construct correlations and shared variance

Constructs	INT_SQ	EXT_SQ	SC	ES
Internal Service Quality (INT_SQ)	**0.821**			
Frontline employee service quality (EXT_SQ)	.711**	**0.774**		
Service Climate (SC)	.264**	.216**	**0.819**	
Employee satisfaction (ES)	.430**	.460**	.174**	**0.819**

Note: Diagonal elements in bold are the square root of Average variance extracted. The other values are the inter-construct correlations.

Source: Compiled by the researcher

As shown in Table 4.23, the diagonal elements are greater than the off-diagonal elements in the corresponding rows and columns, therefore confirming the existence of discriminant validity of the four constructs. Hulland (1999) recommends an additional check, namely, to check whether the correlations between the research constructs are less than 0.8. As such, this criterion was also adequately met across all the possible pairs of constructs, demonstrating that the four constructs are distinct from each other.

This section reported on the discriminant validity for the four constructs in this study. The next section reports on the fourth stage of the data analysis, namely, correlation analysis.

4.6 CORRELATION ANALYSIS

This section reports on the fourth stage of the data analysis, correlation analysis, as discussed in Chapter 3, Section 3.8.4. Table 4.24 summarises the Pearson product moment correlations between the four constructs measured in this study.

Table 4.24: Pearson product-moment correlations between the four constructs

Constructs	INT_SQ	EXT_SQ	SC	ES
Internal Service Quality (INT_SQ)	1			
Frontline employee service quality (EXT_SQ)	.711**	1		
Service Climate (SC)	.264**	.216**	1	
Employee satisfaction (ES)	.430**	.460**	.174**	1

Note: ** Correlation is significant at the 0.01 level and is 2-tailed.

Source: Compiled by the researcher

With reference to Table 4.24, the Pearson correlation coefficients are all positive, indicating a positive correlation between all the variables. Accordingly, an increase in any one of the variables, results in an increase in the other variables.

Table 3.15 in Chapter 3 provides a detailed classification of the correlation coefficient values and their corresponding strength classifications (none, weak, moderate and strong). These strength classifications are used in Table 4.25 to interpret the Pearson product moment correlations between the four constructs in this study.

Table 4.25: Construct relationships and scoring interpreted

Construct	Relationship construct	r score	Strength (Saunders *et al.*)
Service climate	Frontline employee service quality	0.216	Weak
Service climate	Frontline employee satisfaction	0.174	None
Service climate	Internal service quality	0.264	Weak
Internal service quality	Frontline employee satisfaction	0.430	Moderate
Internal service quality	Frontline employee service quality	0.711	Strong
Frontline employee satisfaction	Frontline employee service quality	0.460	Moderate

Note: Correlation is significant at the 0.01 level and is 2-tailed.

Source: Compiled by the researcher

Table 4.25 reflects weak relationships between service climate and the other constructs. In light of this study considering the antecedents to frontline employee service quality, the relationship between service climate and frontline employee service quality is pertinent. Although this relationship is reported as weak, the positive

correlation supports the findings reported by Schneider *et al.* (1998), Borucki and Burke (1999) and Liao and Chuang (2004).

Higher correlations are reported between internal service quality, frontline employee satisfaction and frontline employee service quality; with two of these correlations reported as moderate, and one reported as strong.

The moderate correlation between internal service quality and frontline employee satisfaction supports the findings reported by Hallowell *et al.* (1996), Jun and Cai (2010), and Wang (2012).

The moderate correlation between frontline employee satisfaction and frontline employee service quality supports the findings reported by Hallowell *et al.* (1996) and Newman *et al.* (2001).

The strong correlation between internal service quality and frontline employee service quality supports the findings reported by Varey (1995) and Voss *et al.* (2005).

Overall, the correlations reported in Table 3.1 are supported by the findings of the Service-Profit Chain (Heskett *et al.,* 1994), which in chain-form, sees internal service quality driving employee satisfaction, which in turn, drives service quality.

This section reported on the fourth stage of the data analysis, namely, correlation analysis. The six correlations reflected in Table 4.26 provide sufficient evidence to support or reject the six research hypotheses in this study, as outlined in Chapter 1, Table 1.3. The next section reports on the hypotheses testing for this study.

4.7 RESEARCH HYPOTHESES

This section reports on the hypotheses testing for this study. The six correlations reflected in Table 4.25 provide sufficient evidence to support or reject Hypotheses H1 to H6, as presented in Chapter 1, Table 1.3.

Table 4.26 below lists the null and alternative research hypotheses formulated for this study, and outlines whether they were supported or rejected.

Table 4.26: Reporting on research hypotheses H1 to H6

Research Hypothesis	Description	Hypothesis supported
H01	Service climate is not positively correlated to frontline employee service quality	Rejected
Ha1	Service climate is positively correlated to front-line employee service quality	Accepted
H02	Service climate is not positively correlated to frontline employee satisfaction	Rejected
Ha2	Service climate is positively correlated to frontline employee satisfaction	Accepted
H03	Service climate is not positively correlated to internal service quality	Rejected
Ha3	Service climate is positively correlated to internal service quality	Accepted
H04	Internal service quality is not positively correlated to frontline employee satisfaction	Rejected
Ha4	Internal service quality is positively correlated to frontline employee satisfaction	Accepted
H05	Internal service quality is not positively correlated to frontline employee service quality	Rejected
Ha5	Internal service quality is positively correlated to frontline employee service quality	Accepted
H06	Front-line employee satisfaction is not positively correlated to frontline employee service quality	Rejected
Ha6	Front-line employee satisfaction is positively correlated to frontline employee service quality	Accepted

Note: H0 is indicative of the null hypotheses. Ha in indicative of the alternative hypotheses.

Source: Compiled by the researcher

This section reported on the results of the null and alternative hypothesis formulated for this study. The next section reports on the fifth stage of the data analysis, namely, multivariate regression.

4.8 MULTIVARIATE REGRESSION

This section reports on the fifth stage of the data analysis, namely, multivariate regression, as discussed in Chapter 3, Section 3.8.3.

By setting frontline employee service quality as the dependent variable, and the other three constructs as the independent variables (or predictors), multivariate regression explains how the three constructs (service climate, internal service quality and frontline employee satisfaction), classified as a set of independent variables, are able to predict frontline employee service quality.

Table 4.27 reflects the multivariate regression test results, with frontline employee service quality as the dependent variable and service climate, frontline employee satisfaction and internal service equality as the independent variables.

Table 4.27: Frontline employee service quality and the independent variables

	Unstandardised Coefficients		Standardised Coefficients	t	p-values (Sig).
	B	Standard error	Beta		
(Constant)	2.258	0.089		25.239	0,000
Service climate (SC)	0.010	0.016	0.02	0.619	0.536
Employee satisfaction (ES)	0.105	0.018	0.19	5.967	0.000
Internal Service quality (INT_SQ)	0.437	0.022	0.63	19.457	0.000

Note: Dependent Variable: Frontline employee service quality (EXT_SQ)

Predictors: (Constant), INT_SQ, SC, ES

Source: Compiled by the researcher

The results in Table 4.27 are discussed under two headings, namely, the unstandardised regression coefficient and the standardised regression coefficients.

Unstandardised regression coefficient

Using the unstandardised regression coefficients (B), the unique variance in frontline employee service quality explained by each of the independent variables, is internal service quality (0.437), employee satisfaction (0.105) and service climate (0.010).

Expressed as an equation, the predicted value for frontline employee service quality = 2.258 + (0.010) SC + (0.105) ES + (0.437) INT_SQ.

The equation offers an indication of the notably larger unique influence of internal service quality, in comparison to the other independent variables.

Standardised regression coefficient

Using the 'standardised' regression coefficients, the independent variable making the strongest relative contribution is internal service quality (0.63), while the variable making the second strongest relative contribution is frontline employee service quality (0.19). The p-values indicate that the contribution made by service climate is not significant.

In Figure 4.16, the multivariate regression findings are reflected in the form of a model.

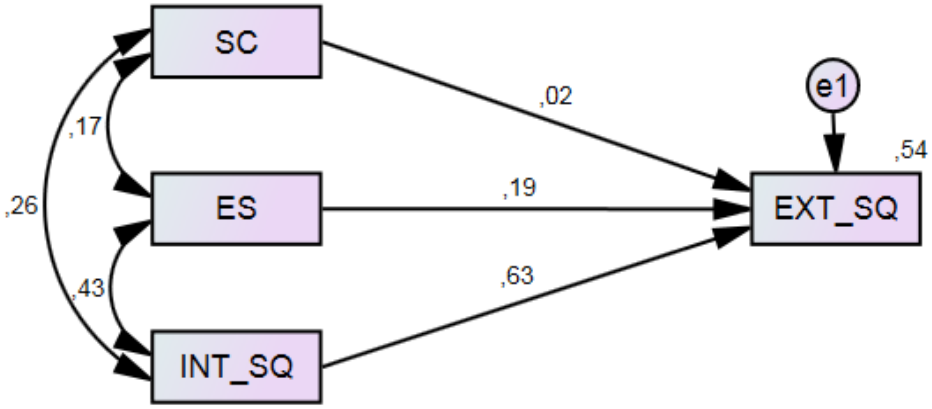


Figure 4.16: Final multivariate regression model

Note: Dependent Variable: Frontline employee service quality (EXT_SQ)
Predictors: (Constant), INT_SQ, SC, ES

Source: Compiled by the researcher

The multivariate regression model in Figure 4.16 outlines the direction and strength of the standardised regression Beta coefficients, the correlations between the independent predictor variables and the R-squared value (as indicated by e1). The model indicates that the independent variables of service climate, frontline employee satisfaction and internal service quality account for 53.6% of the variation in frontline employee service quality. Internal service quality and frontline employee satisfaction are identified as significant predictors of frontline employee service quality, with the relative contribution of internal service quality being notably larger. The strongest

correlation between the independent variables is between internal service quality and frontline employee satisfaction.

While the contribution made by service climate is not significant, it is included in the multivariate regression to enable comparison of the standardised coefficients, and to reflect the relevant correlations between all the independent predictor variables.

This section provided a summary of the multivariate regression results. Chapter 5 expands on these results by providing detailed conclusions and recommendations. The next section concludes Chapter 4.

4.9 CONCLUSION

The primary objective of this study is to investigate the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to frontline employee service quality in a South African retail bank.

In support of this, Chapter 4 reported on the findings of the data analysis.

The data analysis was conducted in a stage-by-stage approach which commenced with data cleaning and screening and the reporting of the descriptive statistics. Thereafter, confirmatory factor analysis was conducted on each of the measuring instruments. Where relevant, modifications were made in order for the models to have acceptable fit. Each of the finalised instruments demonstrated sufficient convergent and discriminant validity, as well as acceptable model diagnostics, providing sufficient grounds for validations to be made amongst the constructs.

Correlation analysis was then carried out to determine the relationships between the constructs. These correlations provided sufficient evidence to reject the six null hypotheses and accept the six alternative hypotheses in this study.

Finally, multivariate regression analysis was conducted in response to the primary objective of this study. This resulted in a multivariate regression model, which forms the basis for recommendations to be made to Bank A.

Chapter 5 provides the conclusions, discussion and recommendations for this study.

CHAPTER 5:
CONCLUSIONS, DISCUSSION AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter 1 provided a brief overview of the background to the study, and outlined the problem statement, research question and the primary and secondary research objectives of this study. This was followed by a literature study in Chapter 2, which contextualised frontline employee service in terms of its relevance to this study and elaborated on the theory relating to the four constructs. Chapter 3 outlined the research methodology employed in the study, while Chapter 4 presented the empirical findings of the study.

This chapter serves as an overarching summary of the research reported on in this dissertation. Firstly, Section 5.2 presents a summary of the scope of the research. Thereafter, in Section 5.3, it shows how each of the primary and secondary objectives were achieved. From the conclusions and discussions relating to the primary and secondary objectives, ten recommendations emerge, which are elaborated on in Section 5.4. Finally, the chapter addresses the limitations of the study (Section 5.5), presents the recommendations for future research (Section 5.6), contributions made through the study (Section 5.7) and a final conclusion (Section 5.8).

5.2 SUMMARY OF RESEARCH SCOPE

In the intensely competitive SA banking environment, in which banks compete to retain and grow their customer base, the importance of service quality has come to the fore. While a substantial body of research demonstrates the importance of service quality and identifies the service quality dimensions, there is a lack of research focusing on the antecedents of frontline employee service quality. This study investigated the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to frontline employee service quality in a South African retail bank.

The research applied a conclusive research design, using a deductive process, with the aid of descriptive, correlational and causal statistics. The data was collected using a structured questionnaire which was distributed via email, and completed online. The

questionnaire collected demographic information as well as information pertaining to the four constructs considered in this study.

The structured questionnaires for the four constructs were adapted versions of measuring instruments used by previous researchers, which demonstrated sufficient validity and reliability. The selection of the four instruments was based on a thorough review of the existing literature.

The research population constituted frontline employees of the retail bank branches of Bank A. Inclusive of the pilot and actual study, the questionnaire was sent to the entire population of 8 720 employees. In light of the size of the final sample, as well as similarities between the sample and total population, the 581 completed responses in the actual study were deemed as representative of the population.

Thereafter, to answer the primary and secondary research questions, the collected data was statistically analysed using SPSS for all the statistical procedures in a stage-by-stage approach, including data cleaning and screening, descriptive statistics, confirmatory factor analysis, correlation analysis and multivariate regression analysis.

The next section discusses how the primary and secondary objectives were achieved. This is attained for each objective through a summary of the relevant findings, conclusions and discussion.

5.3 RESEARCH OBJECTIVES

In order to investigate possible contributing factors to poor service quality within the SA banking environment, the primary objective of this study was as follows:

Primary objective:

To investigate the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to frontline employee service quality in a South African retail bank.

In order to achieve this primary objective, the following secondary objectives were pursued:

- To measure and analyse frontline employee service quality in Bank A, as perceived by the retail banking frontline employees themselves.

- To measure and analyse internal service quality as perceived by the retail banking frontline employees of Bank A.
- To measure and analyse service climate as perceived by the retail banking frontline employees of Bank A.
- To measure and analyse frontline employee satisfaction in Bank A, as perceived by the retail banking frontline employees themselves.
- To measure the interrelationships between the four constructs in the case of the retail banking frontline employees of Bank A.

The primary and secondary objectives of this study have been met and are summarised and discussed in the following section.

In light of the secondary objectives laying the foundation to achieving the primary objective, the sub-sections which follow summarise how each of the five secondary objectives were achieved, culminating in conclusions and a discussion for each secondary objective.

From the conclusions and discussions relating to the primary and secondary objectives, ten concise recommendations emerge, as reflected in Tables 5.1 to 5.6. These recommendations are discussed in more detail in Section 5.4.

5.3.1 Secondary objective 1 (SO1)

To measure and analyse frontline employee service quality in Bank A, as perceived by the retail banking frontline employees themselves.

The achievement of this objective was supported by the literature study, instrument selection and the empirical investigation. Each is summarised below:

Literature study

Section 2.3.1 presented a discussion of the existing literature in the fields of quality, service quality and frontline employee service quality. It emphasised the importance of service quality in banking, noting how service quality is considered a primary competitive advantage in a marketplace with generally undifferentiated products. With the assistance of the Service-Profit chain, it highlighted that service quality should not be viewed in isolation, but rather in chain-form, which sees internal service quality driving employee satisfaction, which in turn, drives external service quality. Finally, it

outlined the definition of frontline employee service quality for the purpose of this study, as the level of service quality provided to customers during the service encounter, amidst the interaction of the service organisation, the frontline employee and the customer.

Instrument selection

In Section 2.4.1, the literature study made reference to numerous studies that have attempted to discover how service quality is evaluated. In particular, it elaborated on the five standard dimensions of service quality in the classic SERVQUAL instrument that was developed by Parasuraman *et al.* (1988). It elaborated on the drawbacks and advantages of SERVQUAL, and concluded that SERVQUAL is an appropriate instrument to inform the adapted instrument used in this study.

In Section 3.4.1, with the aid of the face validity expert review and the SERVQUAL refinement study by Parasuraman *et al.* (1991), the instrument was adapted to suit the measurement of service quality in a retail banking context, from the perspective of frontline employees.

Empirical findings

Sections 4.4.1 and 4.5.1 reported on the results related to frontline employee service quality. The overall mean score of 4.33 suggests that the respondents consider frontline employee service quality to be high, with the Assurance dimension scoring the highest, followed by Responsiveness, Empathy, Reliability and Tangibles.

Conclusions and discussion

Based on the key observations in Section 4.4.1, this section presents the conclusions and a discussion relating to the five frontline employee service quality dimensions. These conclusions and discussion feed into the ten recommendations presented in Section 5.4. The relevant links between the conclusions and discussion, and the ten recommendations are summarised in Table 5.1 (on the next page).

Table 5.1: Links between conclusions/discussion and recommendations (SO1)

Objective	Construct	Dimension	Concise recommendations									
			1. Training of staff	2. Improving capacity	3. Improving product/service portfolio	4. Extending operating hours	5. Improving business processes	6. Improving system integrity	7. Improving facilities	8. Improving resources	9. Rewarding service quality	10. Opportunities for advancement
SO1	Frontline employee service quality	Assurance	•									
		Responsiveness		•								
		Empathy		•	•	•	•					
		Reliability						•				
		Tangibles							•	•		

Source: Compiled by the researcher

Assurance:

The lowest levels of agreement pertained to the adequacy of knowledge to answer customers' questions, which suggests that frontline employees receive questions from customers that they are unable to answer. This inadequacy may be attributed to certain questions requiring specialist knowledge from internal departments. However, it may also be attributed to frontline employees not being adequately trained in terms of the knowledge they require.

Responsiveness:

The lowest levels of agreement pertained to response time due to queuing, which suggests that customers have to wait in queues while frontline employees handle the service requests of others. The disparity between the lower scores for queuing and

the higher scores for fast and efficient service, suggests that queuing time may act as the ‘weak link’ within this dimension. Long queuing time can result, not only in a frustrated customer, but also a frustrated employee who even though he/she embraces customer service, has no control over the time customers have to spend waiting in queues.

Dean and Rainnie (2009) refer to the impact of ‘service encounter stress’, arising from the emotional demands associated with frontline employees trying to remain calm and positive, while repeatedly managing customer interactions, in particular, with customers who are angry, rude, threatening or upset. Marquis and Filiatrault (2002) note that customers who are upset by queuing time, are less likely to complain to bank employees, and are more likely to express their frustration through negative word-of-mouth communication to others. In summary, the negative consequence of queuing may necessitate closer inspection into retail branch capacity.

Empathy:

Three conclusions were derived from the items receiving levels of agreement below the dimension mean.

Firstly, the responses suggest that products/services fall short of the customers’ best interests. Section 1.2.1 to 1.2.3 elaborated on the competitive banking environment, highlighting the constant changes in both the number and type of participants, their product offerings, and the regulatory environment. In such an environment where high numbers of customers are switching banks, it is vital for banks to constantly review and adapt their product/service portfolio.

Secondly, the responses suggest that the current operating hours are not convenient for customers. Current operating hours amongst the larger South African banks differ in terms of weekday and weekend standard operating times. Opening times range from 8 a.m. to 9 a.m., while closing times range from 3:30 p.m. to 5:30 p.m. Extending the operating hours may be a worthwhile trade-off when competing against other banks for the attention and loyalty of customers.

Thirdly, the responses suggest that there are branch setups do not allow for one-on-one interaction with the customer. Lee and Mizerski (2005) suggest an inherent decrease in the role of one-on-one attention at retail branches, in light of retail banks no longer serving as the everyday banking outlet, but rather being utilised for less

frequent transactions, such as loans and investments. The authors rationalise how alternative platforms, such as Internet banking and/or ATMs and/or call-centres cater for the everyday type transactions. In light of the introduction of these platforms, customers visiting branches for 'everyday types of transactions' are likely directed by a service host or hostess to use these platforms – either at the branch, or independently.

Joseph, McClure and Joseph (1999), in their investigation into queue management, note how banks would better leverage their resources by informing customers about the alternative ways of 'accessibility' in banking. Typically, such information would be provided through broader communications to customers. At a branch level, however, it may be through frontline staff educating and assisting customers on a one-on-one basis as to how they can independently use the alternative platforms.

Reliability:

The lowest levels of agreement pertained to customer-related records being error-free, which suggests that frontline employees encounter errors in customer-related records. In light of similar findings emerging from internal service quality, a consolidated discussion relating to the improvement of system integrity is presented in Section 5.4.

Tangibles:

Two conclusions were derived from the items receiving levels of agreement below the dimension mean. Firstly, the responses suggest that there are retail branches lacking in visual appeal. Secondly, the responses suggest that there are retail branches with out-of-date equipment. In light of similar findings emerging from internal service quality, a consolidated discussion relating to the improvement of facilities and the improvement of resources is presented in Section 5.4.

5.3.2 Secondary objective 2 (S02)

To measure and analyse internal service quality as perceived by the retail banking frontline employees of Bank A.

The achievement of this objective was supported by the literature study, instrument selection and the empirical investigation. Each is summarised below:

Literature study

Section 2.3.2 presented a discussion of the relevant literature in the field of internal service quality, pointing out the stronger emphasis on external service quality than internal service quality in the literature. It conceptualised internal service quality within an organisation as a marketplace, in which exchanges take place between individual units, each treating the recipients of their output as internal customers (Palmer, 2014; Fredendall *et al.*, 2005). It elaborated on research pointing out the chain-type reaction, in which internal quality 'trickles down' to external customers, and emphasised the critical importance of that part of the chain where frontline employees receive service from internal suppliers. In closing, it outlined the definition of internal service quality for the purpose of this study, as the level of service quality provided to frontline employees during internal service encounters, amidst the interaction of the service organisation, staff from internal departments and the frontline employee.

Instrument selection

In Section 2.4.2, the literature study explored the measurement of internal employee service quality. It elaborated on the efforts by Frost and Kumar (2000) and Kang *et al.* (2002) who demonstrated that SERVQUAL, with appropriate adaptations can be used as a valid and reliable measure for internal service quality. Accordingly, it concluded that SERVQUAL is an appropriate instrument to inform the adapted instrument used in this study.

In Section 3.4.2, with the aid of the face validity expert review, the SERVQUAL refinement study by Parasuraman *et al.* (1991) and the Internal Service Quality Battery by Kang *et al.* (2002), the instrument was adapted to suit the measurement of internal service quality in a retail banking context, from the perspective of frontline employees.

Empirical findings

Sections 4.4.2 and 4.5.2 reported on the results related to internal service quality. The overall mean score of 3.74 suggests that respondents consider frontline employee service quality to be moderate, with the Tangibles dimension scoring the highest, followed by Assurance, Empathy, Responsiveness and Reliability.

Conclusions and discussion

Based on the key observations in Section 4.4.2, this section provides the conclusions and a discussion relating to the relevant internal service quality dimensions. As per the links reported in Table 5.2, these conclusions and discussion feed into the ten recommendations presented in Section 5.4.

Table 5.2: Links between conclusions/discussion and recommendations (SO2)

Objective	Construct	Dimension	Concise recommendations									
			1. Training of staff	2. Improving capacity	3. Improving product/service portfolio	4. Extending operating hours	5. Improving business processes	6. Improving system integrity	7. Improving facilities	8. Improving resources	9. Rewarding service quality	10. Opportunities for advancement
SO2	Internal service quality	Tangibles							●	●		
		Assurance	●									
		Empathy	●	●			●					
		Responsiveness	●	●		●						
		Reliability	●	●				●				

Source: Compiled by the researcher

Overall observations:

In Figure 4.4, the gap scores between internal and frontline employee service quality suggest that internal service quality has inadequacies relating to the dimensions of Reliability, Responsiveness, Assurance and Empathy. The multiple recommendations emerging from the internal service quality findings, as reflected in Table 5.2, infer that

these inadequacies are not attributable, in their entirety, to a lack of training. However, training customised towards improving these deficiencies, may help considerably.

Seibert and Lingle (2007) point out two trends regarding internal staff. Firstly, recruitment efforts are not aimed at employing service-oriented internal staff. Secondly, existing internal staff members are not trained towards internal customer service. The net result is that internal staff members do not operate in the context of internal customer service.

Jun and Cai (2010) emphasise the importance of well-conceived customer service training programmes that are customised to improve the interpersonal skills of service delivery staff in internal departments, and accordingly, to remedy internal service failures. Further to this, they note that when internal departments understand the dimensions their internal consumers are using to judge internal service quality, they can take suitable actions regarding those dimensions, in particular, to monitor and enhance the performance.

Tangibles:

Two conclusions were derived from items receiving levels of agreement below the dimension mean. Firstly, the responses suggest that there are internal departments with out-of-date equipment. Secondly, the responses suggest that there are internal departments which are not comfortable and attractive. In light of similar findings emerging from frontline employee service quality, a consolidated discussion relating to the improvement of facilities and the improvement of resources, is presented in Section 5.4.

Empathy:

The lowest levels of agreement pertained to the business being set up for one-on-one attention, suggesting there are internal departments set up in such a way that frontline employees do not receive one-on-one attention. This may relate to frontline employees' service requests being routed to internal departments via single-point-access email and call-routing systems.

Gilmore (2001) highlights the management trend, regarding call-routing systems, to focus monitoring efforts on the tangible aspects, such as speed of answering, number of calls abandoned, and time spent talking to customers. However, the aspects neglected through such an approach are the intangible aspects, such as how the

customer felt, or alternatively, how the employee perceived the customer could have felt. One of the disadvantages of single-point-access email and call-routing systems is the potential for one-on-one attention with selected internal staff, who can be contacted directly, and with whom a continuous working relationship can be developed. While integrated telephony and email systems offer a variety of efficiency-related benefits, they may reduce the potential for one-on-one attention.

Responsiveness:

The lowest levels of agreement, for the dimension and the construct as a whole, pertained to response time to frontline employees' requests. This suggests that internal staff members are too busy to respond promptly to frontline employees' requests. Frontline employees being 'on-hold' for long periods of time, may result in not only their own frustration, but also in the frustration of internal staff, who have no influence over the time frontline employees have to wait before their call is answered. Similar to the discussion regarding queuing time in Section 5.3.1, this could result in 'service encounter stress' on the part of both parties. One added element of frustration with internal service, in that frontline employees are 'captive customers'. They are restricted to prescribed avenues for their service requests, regardless of their experiences. In summary, the negative consequence of long waiting times may necessitate closer inspection into internal department capacity.

Reliability:

Two conclusions were derived from items receiving lower levels of agreement under Reliability. Firstly, the responses suggest that frontline employees encounter errors in the information they receive from internal departments. In light of similar findings emerging from frontline employee service quality, a consolidated discussion relating to the improvement of system integrity is presented in Section 5.4. Secondly, the responses suggest that internal staff do not deliver on promises in the time-frame promised. While employees can be trained not to over-promise their service delivery, it is more likely that this problem also relates to internal department capacity.

5.3.3 Secondary objective 3 (S03)

To measure and analyse service climate as perceived by the retail banking frontline employees of Bank A.

The achievement of this objective was supported by the literature study, instrument selection and the empirical investigation. Each is summarised below:

Literature study

Section 2.3.3 presented a discussion of the relevant literature in the field of service climate. It described organisational culture as the set of beliefs and values shared by people in an organisation, and explained that organisations have one overall culture, but many underlying climates, which explain significant variances in behaviour outcomes (Liao & Chuang, 2004; Evans, 2017). It introduced service climate as a specific sub-set of an organisation's overall culture, noting that service climate may help employees to perceive that superior service is expected, desired, and rewarded, consequently providing a strong motivational force for employees to deliver better service (Liao & Chuang, 2004; Mechinda & Patterson, 2011). It elaborated on research reflecting the importance of service climate, highlighting studies which demonstrated links between service climate and employee commitment, empowering leadership, employee service quality, customer satisfaction and customer perceptions of service quality (Lux *et al.*, 1996; Johnson, 1996; Schneider *et al.*, 1998; Yagil & Gal, 2002; Rogg *et al.*, 2001).

For the purpose of this study, service climate was defined as the level to which frontline employees perceive their retail banking outlet to apply the practices, procedures and kind of behaviours that get rewarded in relation to customer service and service quality.

Instrument selection

In Section 2.4.3, the literature study explored the measurement of service climate. It identified that service climate can be measured in terms of global service climate or its dimensions, and concluded that with appropriate adaptation, the global service climate instrument developed by Schneider *et al.* (1998) can be used as a valid and reliable summary measure of the organisation's climate for service. In Section 3.4.3, the instrument was adapted, with the aid of the face validity review, to suit the measurement of service climate in a retail banking context from the perspective of frontline employees.

Empirical findings

Sections 4.4.3 and 4.5.3 reported on the results related to service climate. The overall mean score of 3.62 suggests that the respondents consider service climate to be moderate.

Conclusions and discussion

Based on the key observations noted in Section 4.4.3 relating to service climate, conclusions and a discussion are provided in this section. These conclusions and discussion feed into the recommendations presented in Section 5.4, as summarised in Table 5.3 below.

Table 5.3: Links between conclusions/discussion and recommendations (SO3)

Objective	Construct	Concise recommendations									
		1. Training of staff	2. Improving capacity	3. Improving product/service portfolio	4. Extending operating hours	5. Improving business processes	6. Improving system integrity	7. Improving facilities	8. Improving resources	9. Rewarding service quality	10. Opportunities for advancement
SO3	Service climate	●							●	●	

Source: Compiled by the researcher

Three conclusions were derived from items receiving lower levels of agreement under service climate.

The lowest score pertained to the recognition and rewards that employees receive for the delivery of superior service, suggesting that service quality is not adequately rewarded. Higher scores for efforts to measure and track quality, suggest that the lack of recognition and rewards is not necessarily attributable to a lack of measuring and tracking.

In terms of performance management systems, and the incentives related thereto, Wanyama and Mutsotso (2010) note the substantial body of evidence suggesting that the effectiveness of skilled employees can be restricted if they are not motivated to perform their jobs, and recommend rewards in the form of merit pay or incentive compensation systems for meeting specific goals. Papasolomou and Vrontis (2006) echo these findings in banking. Specifically, they assert that confidence is instilled in employees, when the extra energy voluntarily invested, is reflected in performance appraisals and/or rewards. In terms of frontline employees, their study identified a strong emphasis on monetary rewards (bonuses and/or short-term commissions) related to aspects such as the opening of new accounts and sales achieved against set targets. For internal staff, their study found a strong emphasis on prizes for the achievement of targets, or bonuses divided amongst employees for the achievement of overall goals. A challenge they noted was that rewards tended to shift people's identities away from the team, which accentuated individual status and discouraged teambuilding.

Secondly, the findings suggest that there are tools, technology and resources which are out-of-date. In the light of similar findings emerging from frontline employee service quality and internal service quality, a consolidated discussion relating to the improvement of resources is presented in Section 5.4.

Thirdly, the findings suggest a deficiency in the leadership shown at retail branches in supporting the service quality effort. The results of this study, which reflect 'frontline employee' service quality as high, but 'internal service quality' and the 'leadership in supporting service quality', as moderate, may be indicative that service quality is higher in areas traditionally associated with customer service (and which consequently receive customer service training), but lower in areas that traditionally do not receive customer service training.

In summary, these results may suggest a broader emphasis on customer service training, which includes managers and leaders.

5.3.4 Secondary objective 4 (S04)

To measure and analyse frontline employee satisfaction in Bank A, as perceived by the retail banking frontline employees themselves.

The achievement of this objective was supported by the literature study, instrument selection and the empirical investigation. Each is summarised on the next page:

Literature study

Section 2.3.2 presented a discussion of the relevant literature in the field of frontline employee satisfaction. It elaborated on research demonstrating links between employee satisfaction, employee service quality and customer satisfaction, highlighting that in order to satisfy customers, organisations must first satisfy their employees. In terms of frontline employees, the specific importance of employee satisfaction was highlighted in view of its strong potential to affect socially desired emotions and behaviours during service encounters with customers.

For the purpose of this study, frontline employee satisfaction was defined as the level of the general emotion, state, or attitude of frontline employees, resulting from their own appraisal of their jobs or job experiences.

Instrument selection

In Section 2.4.4, the literature study explored the measurement of employee satisfaction. It noted that employee satisfaction can be investigated or measured in terms of general employee satisfaction or employee satisfaction in terms of its multiple facets, and noted that this study measures general employee satisfaction. It elaborated on the adapted six-item instrument developed by Brayfield and Rothe (1951) to measure global employee satisfaction, and concluded that it can be used as a valid and reliable measure for frontline employee satisfaction.

Section 3.4.4 dealt with the adaptation of this instrument, highlighting that the face validity expert review required no changes to be made in order to contextualise the original statements for this study.

Empirical findings

Sections 4.4.4 and 4.5.4 reported on the results related to service climate. The overall mean score of 3.74 suggests that the respondents consider frontline employee satisfaction to be moderate.

Conclusions and discussion

Based on the key observations noted in Section 4.4.4, this section presents the conclusions and a discussion relating to employee satisfaction. As reported in Table 5.4, these conclusions and discussion feed into the ten recommendations which are elaborated in Section 5.4.

Table 5.4: Links between conclusions/discussion and recommendations (SO4)

Objective	Construct	Concise recommendations									
		1. Training of staff	2. Improving capacity	3. Improving product/service portfolio	4. Extending operating hours	5. Improving business processes	6. Improving system integrity	7. Improving facilities	8. Improving resources	9. Rewarding service quality	10. Opportunities for advancement
SO4	Employee satisfaction									•	•

Source: Compiled by the researcher

Due to the model measuring general employee satisfaction, as opposed to facets of employee satisfaction, a multifaceted study may help to diagnose specific areas for improvement. The two items removed after the confirmatory factor analysis, however, do offer insightful findings.

Firstly, frontline employees may experience boredom in their jobs. With reference to the discussion relating to recognition and rewards in Section 5.3.4, the additional motivation offered through reward programmes may assist in alleviating this boredom.

Secondly, frontline employees consider their jobs to be transitional positions. With this in mind, offering opportunities for advancement to frontline employees may act an additional incentive for employees to perform well.

Although these two findings are reflected in isolation in this study, they support the main findings of a multifaceted study in retail banking by Ali, Khan, Akram Ch and Akram Ch (2018), who found the main determinants of employee dissatisfaction to be the limited opportunities for promotion and lack of recognition and rewards.

5.3.5 Secondary objective 5 (S05)

To measure the interrelationships between the four constructs in the case of the retail banking frontline employees of Bank A

Secondary objectives 1 to 4 set out to measure and analyse the four constructs in this study. These objectives were achieved in Sections 4.5.1 to 4.5.4, and lay the foundation for Secondary objective 5.

Empirical findings

Section 4.6 reported on the empirical findings, which are summarised in Figure 5.1

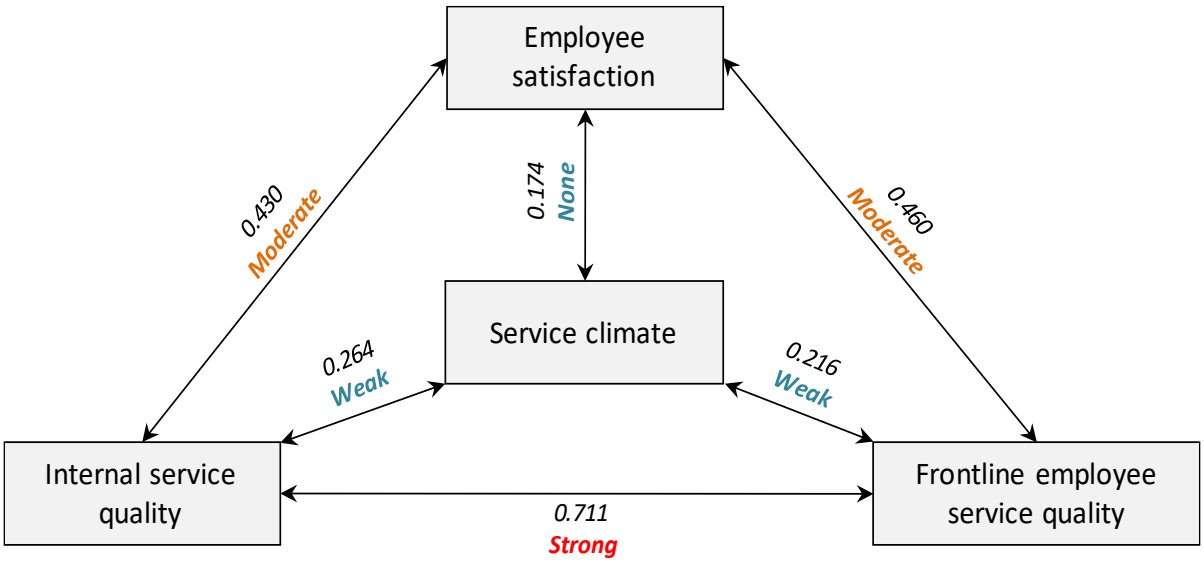


Figure 5.1: Correlations between constructs

Source: Compiled by the researcher

Conclusions and discussion

Based on the key observations noted in Section 4.6, this section presents the conclusions and a discussion relating to the interrelationships between the four constructs. As reported in Table 5.5 (on the next page), these conclusions and discussion feed into all of the recommendations which are elaborated on in Section 5.4.

Table 5.5: Links between conclusions/discussion and recommendations (S05)

Objective	Description	Concise recommendations									
		1. Training of staff	2. Improving capacity	3. Improving product/service portfolio	4. Extending operating hours	5. Improving business processes	6. Improving system integrity	7. Improving facilities	8. Improving resources	9. Rewarding service quality	10. Opportunities for advancement
SO5	Correlations between constructs	●	●	●	●	●	●	●	●	●	●

Source: Compiled by the researcher

The conclusions relating to the correlations are summarised by the strength indicators (strong, moderate, weak, none) below the r-values, which indicate the strength of the six relationships between the four constructs.

Aspects that come to light are the weak positive correlations between service climate and the other constructs, and the stronger positive correlations between internal service quality, employee satisfaction and frontline employee satisfaction.

The weak correlations in terms of service climate warrant investigation. Pertinent in terms of this study, is the weak correlation between service climate and frontline employee service quality. These lower scores may be an indication that service quality is driven by individual commitment and values, as opposed to an organisation culture.

Other findings appear to support an individual orientation within retail banking. For example, Ali *et al.* (2018), amongst ten organisational factors having an impact on employee satisfaction, found the relationships with co-workers to have the weakest impact. Papasolomou and Vrontis (2006), although strongly advocating the use of incentives and/or rewards, noted the shift in focus toward individuals, and status related thereto, as opposed to teams. Seibert and Lingle (2007), while acknowledging

that staff can be trained, say the priority should be on hiring individuals who are already service-oriented.

The effect of individual as opposed to organisational commitment values may be further exaggerated in the context of the multi-cultural diversity of employees in this study. Table 4.1 and Table 4.2 offer an indication of the diverse range of ethnic groups and regions represented.

Recent research by Fung, Sharma, Wu and Su (2017) explored service climate and employee performance in multicultural service settings, with an emphasis on personal cultural orientations reflecting either independence or interdependence. Independent individuals have individual-level cultural orientation, self-direction and autonomy, whilst interdependent individuals integrate into strong and cohesive in-groups, have strong group identity and prioritise the in-group goals over their own personal goals. The study found that independence has a negative, and interdependence a positive, moderating influence on the impact of service climate on internal service quality and employee performance. It could be the case, that in the context of the diverse, multi-cultural employee base of the current study, employees tend toward independence, and consequently weaken the effect of service climate on frontline employee service quality.

The correlations between the other constructs, in which the relationships are noted as moderate to strong between internal service quality, frontline employee satisfaction and frontline employee service quality, support previous studies (as noted in Section 2.3.1, 2.3.2 and 2.3.4, and summarised in Section 4.6).

5.3.6 Primary objective (PO1)

To investigate the extent to which internal service quality, service climate and frontline employee satisfaction, contribute to frontline employee service quality in a South African retail bank.

Empirical findings

Section 4.8 reported on the empirical findings, which reflected that service climate, frontline employee satisfaction and internal service quality account for 53.6% of the variation in frontline employee service quality. Internal service quality and frontline employee satisfaction are significant predictors, with relative contributions of 0.63 and 0.19 respectively.

Conclusions and discussion

Based on the key observations in Section 4.8, conclusions and a discussion relating to the multivariate regression findings are presented below. As per the links reported in Table 5.6, these conclusions and discussion feed into all ten recommendations presented in Section 5.4.

Table 5.6: Links between conclusions/discussion and recommendations (P01)

Objective	Description	Concise recommendations									
		1. Training of staff	2. Improving capacity	3. Improving product/service portfolio	4. Extending operating hours	5. Improving business processes	6. Improving system integrity	7. Improving facilities	8. Improving resources	9. Rewarding service quality	10. Opportunities for advancement
PO1	Multivariate regression findings	●	●	●	●	●	●	●	●	●	●

Source: Compiled by the researcher

The 53.6% variance in frontline employee service quality offers merit for Bank A to strongly consider the predictive effect of the antecedents explored in this study. Internal service quality and frontline employee satisfaction are significant predictors, and should accordingly, receive greater emphasis to enhance frontline employee service quality. The relative contribution of internal service quality is the largest of the two significant predictors, and should accordingly, receive the greatest emphasis.

With regard to internal service quality, the recommendations aimed at improving this construct include training of staff, as well as improving capacity, business processes, facilities and resources.

With regard to frontline employee service quality, the recommendations aimed at improving this construct relate predominantly to those aspects outside of the employees' locus of control, and include extending operating hours, as well as

improving capacity, business processes, facilities, resources and the product/service portfolio.

With regard to employee satisfaction, the recommendations aimed at improving this construct include rewarding service quality, and providing opportunities for advancement.

With regard to service climate, the recommendations, which include training of staff, rewarding service quality and opportunities for advancement, are cognisant of the diverse multicultural setting and discussions suggesting the influence of personal culture orientations. In addition, these recommendations are offered in view of their specific potential to strengthen the other constructs.

The next section elaborates on these recommendations.

5.4 RECOMMENDATIONS OF THE STUDY

The ten recommendations which emerged in Section 5.3 are expanded on in this section.

For each recommendation, this section highlights: 1) the relevant evidence from which the recommendation emerged; 2) the relevant discussion leading to the recommendation; and 3) the practical implications relating to the recommendation.

RECOMMENDATION 1: TRAINING OF STAFF

Service quality training initiatives should be carried out on internal staff, frontline staff and leaders, using customised programmes.

Evidence

SO1: Frontline employee service quality ⇨ Assurance
SO2: Internal service quality ⇨ Assurance ⇨ All items & gap score
SO2: Internal service quality ⇨ Empathy ⇨ All items & gap score
SO2: Internal service quality ⇨ Responsiveness ⇨ All items & gap score
SO2: Internal service quality ⇨ Reliability ⇨ All items & gap score
SO3: Service climate ⇨ Leadership
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussion in Section 5.3.1 (frontline employee service quality), training should be customised for frontline employees, according to the questions most frequently asked by customers.

With reference to the discussion in Section 5.3.2 (internal service quality), the emphasis going forward should be on hiring future internal staff who already display service-oriented behaviour. Current internal staff should be made aware of the importance of internal service, as well as the dimensions used by frontline employees to judge internal service quality, through customer service training programmes tailored to their needs.

With reference to the discussion in Section 5.3.3 (service climate), customer service training should be customised to staff in positions of leadership. Such training should focus on the importance of service quality throughout the organisation, and the specific role played by leadership in driving service quality. Amongst these roles, the focus should be on instilling in individuals, a customer-service orientation, goal-driven behaviour and a motivation to advance. In terms of reward programmes and monitoring related thereto, leaders should be trained to implement and manage these programmes.

Practical implications

Internal service quality training efforts should be designed after close scrutiny of the items within the dimensions of Assurance, Empathy, Responsiveness and Reliability. In terms of knowledge specifically, additional research should be undertaken into the questions internal departments and frontline employees experience difficulty in answering.

RECOMMENDATION 2: IMPROVING CAPACITY

Where service requests are associated with slow response times, the number of internal and frontline staff should be increased.

Evidence

SO1: Frontline employee service quality ⇨ Responsiveness ⇨ Response time
SO2: Internal service quality ⇨ Responsiveness ⇨ Response time
SO2: Internal service quality ⇨ Reliability ⇨ Responding in time-frame promised
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussion in Section 5.3.1 (frontline employee service quality), queuing time in retail banks may lead to 'service encounter stress', impacting negatively on both frontline employees and customers. The same principles apply in the context of internal departments (as discussed in Section 5.3.2), in terms of long waiting times on the part of frontline employees, relating to calls and/or emails.

Practical implications

Queueing theory could assist toward calculating the number of servers required to optimise processes in the context of target throughput times (time between initiation and completion of a service request), as well as hourly demand, service rates and staff productivity.

In the case of retail banks, it may be a remedy to pull resources from other sections during peak hours. In the case of internal departments, it may be a remedy to pull resources from other departments with shorter waiting times. Alternatively, it may be necessary to recruit more staff.

RECOMMENDATION 3: IMPROVING PRODUCT/SERVICE PORTFOLIO

The product/service portfolio should continually be reviewed and adapted.

Evidence

SO1: Frontline employee service quality ⇨ Empathy ⇨ Product/service portfolio
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussion in Section 5.3.1, banks need to take cognisance of the continual changes in the competitive and regulatory environment, as well as customers' needs, and review and adapt their product/service portfolio accordingly.

Practical implications

A 'customer needs analysis', and 'competitor analysis', laying specific emphasis on product/service portfolio's, may assist toward adapting the existing products/services or identifying new products/services which are in the best interests of customers' needs.

RECOMMENDATION 4: EXTENDING OPERATING HOURS

Operating hours at retail branches should be extended for the convenience of customers.

Evidence

SO1: Frontline employee service quality ⇨ Empathy ⇨ Convenience of operating hours
SO2: Internal service quality ⇨ Empathy ⇨ Convenience of operating hours
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussion in Section 5.3.1, extending the operating hours will result in increased convenience on the part of customers, but also increased

operational costs. This may be a worthwhile trade-off in competing against other banks for the attention and loyalty of customers.

Practical implications

The decision regarding the extension of operating hours, could be aided by a cost analysis, a customer needs analysis and a competitor analysis. Such information could feed into determining cost-benefit ratios when analysing the relevant trade-offs associated with this decision. Should the operating hours of retail bank branches be extended, the operating hours of internal departments may also need to be extended in order to correspond with these hours.

RECOMMENDATION 5: IMPROVING BUSINESS PROCESSES

Business processes should be adapted to allow for increased one-on-one attention.

Evidence

SO1: Frontline employee service quality ⇨ Branch setup for one-on-one attention
SO2: Internal service quality ⇨ Empathy ⇨ Business setup for one-one attention
SO4: Service climate ⇨ Communications efforts to customers
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussion in Section 5.3.1 (frontline employee service quality), although service delivery has evolved to include the use of alternative platforms, such as Internet banking and/or ATM's and/or call-centres, physical branch setups should, at a minimum, cater for frontline staff to direct and assist customers to use these platforms independently. With a view to reducing the need for these one-on-one interactions, broader communications to customers on the independent use of the alternative banking platforms, should be increased.

With reference to the discussion in Section 5.3.2 (internal service quality), while single-point-access email and call-routing systems offer a variety of efficiency-related benefits, they reduce the potential for one-on-one attention with selected staff, and the development of working relationships. It may be possible to improve one-on-one

attention with revised business system rules, which 'pool' selected employees with selected service agents, to allow for repeat interactions.

Practical implications

In terms of internal service quality, system analysts could be recruited to assess the current business processes with a view to maintaining existing efficiencies, but factoring in rules which encourage increased one-on-one attention.

In terms of frontline employee service quality, branches would need to be analysed to ascertain instances in which branch setups do not cater sufficiently for one-on-one attention.

RECOMMENDATION 6: IMPROVING SYSTEM INTEGRITY

Information systems should be modified and updated to eliminate information errors.

Evidence

SO1: Frontline employee service quality ⇨ Reliability ⇨ Customer-related records
SO2: Internal service quality ⇨ Reliability ⇨ Information
SO5: Correlation findings
PO1: Multivariate findings

Discussion

Responses for both internal and frontline employee service quality suggest that errors occur in information and/or customer-related records. These errors may relate to particular departments using systems which 'stand-alone', in that some or all of the data does not link to a centralised database. In such instances, information updates (customer-related and other) may need to take place multiple times.

Practical implications

Further investigation, using frontline employees as the unit of analysis, could assist to ascertain the sources of information-related errors and reasons related thereto.

RECOMMENDATION 7: IMPROVING FACILITIES

Working environments should be improved in terms of comfort and attractiveness and/or visual appeal.

Evidence

SO1: Frontline employee service quality ⇨ Tangibles ⇨ Physical facilities
SO2: Internal service quality ⇨ Tangibles ⇨ Physical facilities
SO5: Correlation findings
PO1: Multivariate findings

Discussion

Responses for both internal and frontline employee service quality suggest inadequacies in terms of physical facilities. Baker, Berry and Parasuraman (1988), emphasise the role played by physical facilities on both customers and employees. The same physical setting that communicates with and influences customers may affect the satisfaction, productivity and motivation of employees. Accordingly, if retail branches and internal departments are found to be inadequate in terms of visual appeal, comfort and attractiveness, upgrades may have a positive effect on other aspects relating to service quality and satisfaction.

Practical implications

Physical assessments of internal departments and retail branches would facilitate the identification of needs in terms of upgrades and/or modifications required. The costs related thereto may necessitate stringent scrutiny in terms of cost-benefit ratios and the prioritisation of projects.

RECOMMENDATION 8: IMPROVING RESOURCES

Equipment should be replaced in relevant cases, to be functional, efficient and up-to-date.

Evidence

SO1: Frontline employee service quality ⇨Tangibles ⇨ Equipment
SO2: Internal service quality ⇨ Tangibles ⇨ Equipment
SO3: Service climate ⇨ Tools, Technology and Resources
SO5: Correlation findings
PO1: Multivariate findings

Discussion

The responses relating to internal service quality, frontline employee service quality and service climate, suggest inadequacies relating to up-to-date equipment and/or the tools, technology and resources required to support service quality. In Section 2.2.3, adequate resources are highlighted as one of the foundational issues on which the facets of a service climate can be built. Outdated equipment presents a constraint to any form of service delivery relying on that equipment, regardless of the service orientation of employees.

Practical implications

Physical assessments of internal departments and retail branches could assist toward an age analysis of equipment and the identification of short, medium and long-term needs. Ideally, ongoing monitoring should lead to equipment replacement before redundancy.

RECOMMENDATION 9: REWARDING SERVICE QUALITY

Formal reward programmes should be introduced and/or reviewed, in order to acknowledge and incentivise superior service quality.

Evidence

SO3: Service climate ⇨ Recognition and rewards for superior service
SO4: Frontline employee satisfaction ⇨ All items
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussions in Section 5.3.3, (service culture), Section 5.3.4 (frontline employee satisfaction) and Section 5.3.5 (correlations between constructs), performance appraisal systems linked to monetary rewards for the achievement of set targets could assist toward:

- Adjusting individual orientations and values towards customer service;
- Goal-driven behaviour;
- Acknowledgement of time and energy invested;
- Decreasing boredom;
- Increasing motivation;
- Individual drive for promotion.

Practical implications

Expert consultants could help to ensure that performance management systems are aligned with strategic objectives and priorities, and well-defined in terms of positions held, and rewards related thereto.

RECOMMENDATION 10: OPPORTUNITIES FOR ADVANCEMENT

Employees should be exposed to opportunities for advancement and have formalised career path discussions.

Evidence

SO4: Frontline employee satisfaction ⇨ All items
SO5: Correlation findings
PO1: Multivariate findings

Discussion

With reference to the discussion in Section 5.3.4 (frontline employee satisfaction), while appraisal and reward systems may act as short-term motivators, opportunities for internal promotion may act as long-term motivators. Criteria for advancement opportunities could include 1) experience and expertise (specific areas and/or duration); 2) evidence of training and/or education, and 3) superior performance. When individuals focus on the respective fulfilment of these criteria, it may motivate them to 1) stay in their positions; 2) develop themselves and 3) excel.

Practical implications

Regular formal career path discussions could help employees to remain cognisant of opportunities, direct their time and attention to the relevant criteria, and remain motivated.

SUMMARY OF THE TEN RECOMMENDATIONS

The set of ten recommendations elaborated in this section are summarised in Table 5.7.

Table 5.7: Summary of the ten recommendations

Number	Recommendation
1	Service quality training initiatives should be carried out on internal staff, frontline staff and leaders, using customised programmes
2	Where service requests are associated with slow response times, the number of internal and frontline staff should be increased
3	The product/service portfolio should continually be reviewed and adapted
4	Operating hours at retail branches should be extended for the convenience of customers
5	Business processes should be adapted to allow for increased one-on-one attention
6	Information systems should be modified and updated to eliminate information errors
7	Working environments should be improved in terms of comfort and attractiveness and/or visual appeal
8	Equipment should be replaced in relevant cases, to be functional, efficient and up-to-date
9	Formal reward programmes should be introduced and/or reviewed, in order to acknowledge and incentivise superior service quality
10	Employees should be exposed to opportunities for advancement and have formalised career path discussions

Source: Compiled by the researcher

5.5 LIMITATIONS OF THE STUDY

This study is subject to the following limitations:

The sample frame included the branches of one bank across South Africa. While the results may act as a guideline to other banks with similar internal and external service settings, they are not generalisable across other banks.

The use of self-reported measures may be susceptible to social desirability bias. Based on several studies and meta-analyses, Singh (2000:31) established that self-rating measures are “more likely to bias the mean values (upward), but less likely to

bias their correlations with other constructs". Given that this study investigated construct correlations, it was considered a reasonable approach for this study.

The sample was deemed as representative, due to the sample size, as well as the strong correspondence between the sample and population figures in terms of positions held and provinces. Sample representivity conclusions could not be drawn in terms of the classification questions, as this information was not available.

Two items were dropped from the employee satisfaction model in light of their lower loadings. However, a separate analysis of these items provided enlightening findings which inform the discussion and recommendations.

In parts of the study, there were high selections in the neutral category. Addressing the inclusion of a neutral option in Likert type scales, Edwards and Smith (2014) highlight contention among authors. Although originally included to avoid false responses, neutral options may encourage false responses, due to the lack of cognitive effort, ambivalence and social desirability on the part of the respondent.

5.6 RECOMMENDATIONS FOR FUTURE RESEARCH

The findings of this study give rise to several opportunities for further research:

- In the light of this study being conducted in one bank, future studies could include comparisons across multiple banks and/or other service settings.
- Since frontline employee satisfaction has been identified as a significant contributor to frontline employee service quality, a broader research study could investigate individual and organisational determinants influencing employee satisfaction.
- In view of the non-significant influence of service climate in this study, further research could investigate the probability of service climate playing a decreased role in large organisations with a diverse multicultural employee base.
- Since neutral responses were deemed as being high, future studies could investigate the ideal formatting of the Likert scale to maximise the reliability and validity in surveys amongst banking employees.

A high number of recommendations have emerged from this study. Future studies could investigate service quality improvements in terms of their relative importance and costs related thereto, to maximise return on investment.

5.7 CONTRIBUTIONS

Confirmatory factor analysis of the measuring instruments resulted in four measurement models demonstrating sufficient convergent validity, discriminant validity and model fit. These measurement models can be used in future research in similar settings, and are noted as a theoretical contribution.

The findings to this study culminated in ten recommendations for Bank A to improve frontline employee service quality. These recommendations are noted as a practical contribution.

The multivariate regression model outlining the non-significant influence of service climate, and the significant influence of internal service quality and frontline employee satisfaction on frontline employee service quality in a large South African bank, is noted as a theoretical contribution. The findings may guide other organisations, with similar internal and external service setting contexts.

5.8 CONCLUSION

This study set out to explore the effect of three antecedents on frontline employee service quality, namely, internal service quality, service climate and frontline employee satisfaction.

The selected research design applied a deductive process, with the aid of descriptive, correlational and causal statistics, to successfully answer the primary and secondary research objectives.

The findings suggest that frontline employee satisfaction and internal service quality are significant predictors of frontline employee service quality, with internal service quality acting as the greatest predictor.

The findings in terms of service climate not being a significant predictor in this study should be investigated further. It may be the case that organisations with a diverse multicultural base of employees are influenced by individual, rather than group orientations and values.

The ten recommendations in this study can serve as guidelines, not only to Bank A, but also to other organisations which have similar service settings, looking to improve frontline employee service quality.

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APPENDIX A:
ETHICAL CLEARANCE CERTIFICATE

UNISA university of south africa

DEPARTMENT: OPERATIONS MANAGEMENT
RESEARCH ETHICS REVIEW COMMITTEE

Date: 23 February 2017

Ref #: OM/2017/001 (DE VILLIERS)
Name of applicant: MR J DE VILLIERS
Student nr: **33811636**

Dear Mr J DE VILLIERS

Decision: Ethics Clearance Approval

Name: Mr J DE VILLIERS, e-mail address dvilljv@unisa.ac.za tel: 0836501643
[Supervisor: PROF M JANSEN VAN RENSBURG (1117858); ACADEMIC DIRECTOR AT SBL; jvrenm@unisa.ac.za]
Research project: *Frontline employee service quality: antecedents to enhance employee service quality in a South African retail bank* (the working title/topic of the dissertation)
Qualification: MCOM

Thank you for the application for **research ethics clearance** by the Research Ethics Review Committee of the Department Operations Management for the above mentioned research. Congratulations with your colloquium and the final approval of your proposal. Your ethical clearance application was also successful and the decision will be tabled at the next College RERC meeting for notification/ratification.

For full approval: The application was reviewed in compliance with the Unisa Policy on Research Ethics by the RERC and the proposed research may now commence with the proviso that:

1) The researcher will ensure that the research project adheres to the values and principles expressed in the Unisa Policy on Research Ethics.
2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to this Ethics Review Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.
3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.

Kind regards,

Prof Rigard J Steenkamp
Chairperson:
Research Ethics Review Committee
Department of Operations Management

Prof MT Mogale
Executive Dean: CEMS

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APPENDIX B:
ORGANISATION PERMISSION LETTER

UNISA university of south africa

DATE : 17 August 2016

FROM : Mr Jonathan de Villiers (Lecturer and MCom student: Unisa)
Prof Mari Jansen Van Rensburg (Professor and promoter: Unisa)

TO : Dr [redacted]

SUBJECT : Request for permission to conduct research at [redacted]

The meeting on 28 July 2016 has reference as well as the relevant correspondence discussed, including:

- Annexure A: Introductory letter to the study
- Annexure B: Frontline employee questionnaire

Thank you for your time and enthusiasm regarding this study. I am delighted that you would like to conduct this study within [redacted]. With reference to our discussion, I truly believe the results of this study will place [redacted] in a more informed position with regards to directing improvements efforts in terms of service quality. A few practical implications are mentioned below:

- The research study requires frontline employees to complete an online questionnaire (using a 5-point Likert scale) to measure their perceptions on four factors (per Annexure A and B). The online questionnaire will be accessed by means of an online link which will be forwarded to the relevant employees by email.
- The relevant population for the study will be selected in consultation with the researcher. The sample for this population will be selected on a random basis and meet the minimum requirements (in terms of size) to be representative of the population.
- With a view to achieving the necessary face-validity, the questionnaire will first be scrutinised for relevant changes by [redacted] staff members deemed appropriate for this task.

The study requires ethics approval by the relevant Research Ethics Committee at Unisa before it can be conducted. One of the conditions for this approval is consent from the identified organisation for the research to be conducted. Accordingly, I hereby request that you please read and sign the attached consent form.

Kind regards,

Mr Jonathan de Villiers (BCom, BCom Hons)
Lecturer: Operations Management
Department of Business Management
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Muckleneuk campus
Tel: 012-429 8936
Cell: [redacted]
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Tel: 011 652 0371
e-mail: jvrenm@unisa.ac.za

FROM : Dr [redacted]

TO : Mr Jonathan de Villiers (Lecturer and MCom student: Unisa)
Prof Mari Jansen Van Rensburg (Professor and promoter: Unisa)

SUBJECT : Consent to conduct research within [redacted]

With reference to the attached letter, as well as the relevant correspondence discussed at the meeting on 28 July 2016 which included Annexure A (Introductory letter to the study) and Annexure B (Frontline employee questionnaire), I hereby provide consent for a study to be conducted within my organisation titled:

"*Frontline employee service quality: Antecedents to enhance service quality in a South African retail bank*"

I am aware that the results of the study, including any personal details, addresses and the name of the organisation in which the study will take place will not be stated in any study reports. I have also been informed that only relevant research team members will have access to the information.

[redacted]
Name of organisation

[redacted]
Name of organisation's representative

VP: Customer Surveys
Position of organisation's representative

[redacted]
Signature of organisation's representative

22 Aug 2016
Date

APPENDIX C:
RESPONDENTS' CONSENT

UNISA
Retail Banking Service Quality

Dear Front-line employee

You are invited to participate in an academic Mcom research study conducted by Department of Operations Management UNISA student, Jonathan de Villiers.

This study aims to measure factors influencing front-line employee service quality in retail banking. Primarily, the study aims to measure your perception of the service you receive from internal departments and how it might influence the service you provide to customers. Your feedback can greatly contribute towards a better understanding of factors which influence service quality at retail banks.

Non-Disclosure Assurance:

This study has been awarded ethical clearance approval within the framework of UNISA's ethical requirements. Your responses will remain completely anonymous and confidential, and all feedback will only be used for research purposes. At no stage will individual or company details be disclosed.

It will take no more than 7 to 10 minutes to complete the questionnaire. Your unique link will only work for your questionnaire participation and must not be forwarded to other colleagues. You are free to withdraw at any time, up until the point you must submit. By clicking on the link below, you consent to your voluntary participation.

Please click here to begin the questionnaire.

Should you have any questions regarding this questionnaire, or wish to view the UNISA ethics approval letter and/or policy on research ethics, please contact Jonathan de Villiers at dvilljv@unisa.ac.za.

Thank you for your valued feedback and contribution.

Yours sincerely,

The Consulta Team

APPENDIX D:
ONLINE QUESTIONNAIRE

SURVEY INVESTIGATING FACTORS INFLUENCING FRONTLINE EMPLOYEE SERVICE QUALITY IN RETAIL BANKING

As a frontline employee, you will be aware that the service quality delivered to customers at your branch is influenced by a number of factors. This survey is designed to investigate the extent to which three of these factors influence the service that you deliver to customers.

The five sections of the questionnaire are:

1. Internal service quality:
This refers to your overall perceptions concerning the service you receive from other internal departments (Credit Cards, Home Loans, Personal Loans, Vehicle Finance, Internet Banking, Stop Card, Wills etc.).

2. Customer Satisfaction:
This refers to your perception of how satisfied customers are with your service.

3. Service climate:
This refers to your perceptions concerning the practices, procedures, and kinds of behaviour that get rewarded and supported with respect to customer service and service quality at your branch.

4. Front-line employee satisfaction:
This refers to your perceptions concerning your general emotional state resulting from the appraisal of your job or job experiences.

5. Demographics
Lastly, some general demographic questions will be asked.

Please read each question carefully and choose the answer which most closely represents your view. There are no right or wrong answers to these opinion-based questions; therefore please provide an honest answer to all items. The "right" answer to any question is your sincere and truthful response.

Please answer all the questions. It will take no more than 7 to 10 minutes to complete.

Next

The following questions are designed to measure internal service quality and frontline employee service quality.

Internal service quality *refers to your overall perceptions concerning the service you receive at your branch from other internal departments (Credit Cards, Home Loans, Personal Loans, Vehicle Finance, Internet Banking, Stop Card, Wills etc), and*

Front line employee service quality *refers to your perceptions concerning your own service quality that you feel you deliver to customers at your branch.*

By providing an honest answer to these items, this section will help to determine how the service from internal departments influences the service you deliver to customers.

For each statement, please select the option which corresponds most closely to your truthful response.

Back Next

Section A: Internal service quality & Front-line employee service quality

*Consider the service you **receive** at your branch from other **internal departments** with regards to the **tangible aspects.***

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
My colleagues in internal departments have **access to up-to-date equipment**.	○	○	○	○	○
My colleagues in internal departments have working environments which are **comfortable and attractive**.	○	○	○	○	○
My colleagues in internal departments are **neat and well-dressed**.	○	○	○	○	○
The materials dispatched to me by my colleagues from internal departments (e.g. manuals, instruction/information leaflets) are **visually appealing**.	○	○	○	○	○

*Now consider the service quality that you feel **you deliver to customers** at your branch with regards to the **tangible aspects**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our branch has **up-to-date equipment**.	○	○	○	○	○
Our branch's facilities are **visually appealing**.	○	○	○	○	○
I am **neat and well-dressed** when serving my customers.	○	○	○	○	○
The customer related materials used at our branch (e.g. pamphlets, bank statements, cards) are **visually appealing**.	○	○	○	○	○

Back Next

*Consider the service you **receive** at your branch from other internal departments with regards to **reliability**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
When colleagues in internal departments **promise to do something** by a certain time, they do so.	○	○	○	○	○
When I experience problems, my colleagues in internal departments are **sympathetic and reassuring.**	○	○	○	○	○
The services I receive from my colleagues in internal departments are **performed correctly the first time.**	○	○	○	○	○
My colleagues from internal departments provide services to me at the **time they promise to do so.**	○	○	○	○	○
The information I receive from my colleagues in internal departments is **error-free.**	○	○	○	○	○

*Now consider the service quality that you feel you **deliver to customers** at your branch with regards to **reliability**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
When I **promise** a customer that I will do something by a certain time, I do so.	○	○	○	○	○
When a customer has problems, I am **sympathetic and reassuring.**	○	○	○	○	○
The service I provide to customers is **performed correctly the first time.**	○	○	○	○	○
The service I provide to customers is **performed at the time it is promised** to the customer.	○	○	○	○	○
My branch's customer-related records are **error-free.**	○	○	○	○	○

Back Next

*Consider the service you **receive** at your branch from other internal departments with regards to **responsiveness.***

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
When I submit a service request internally, **I am informed when to expect service delivery.**	○	○	○	○	○
My colleagues from internal departments provide me with **fast and efficient service**.	○	○	○	○	○
My colleagues from internal departments are **willing to help me**.	○	○	○	○	○
My colleagues from internal departments are **not too busy to respond promptly** to my requests. E.g. calls are not put on hold, calls are returned, waiting times are short.	○	○	○	○	○

*Now consider the service quality that you feel you **deliver to customers** at your branch with regards to **responsiveness**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I communicate clearly with customers as to when **specific services will be performed or completed**.	○	○	○	○	○
I give **fast and efficient service** to my customers.	○	○	○	○	○
I am **willing to assist** customers.	○	○	○	○	○
I am not too busy to respond promptly to my customers requests. E.g. customers' **waiting time or queuing time** is usually short.	○	○	○	○	○

Back Next

*Consider the service you **receive** at your branch from other internal departments with regards to **assurance**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I can **trust my colleagues** from internal departments with my service request to them.	○	○	○	○	○
I **feel safe** in the transactions my colleagues from internal departments administer on my behalf.	○	○	○	○	○
My colleagues from internal departments are **polite** to me in my dealings with them.	○	○	○	○	○
My colleagues from internal departments have **adequate knowledge** to answer my questions.	○	○	○	○	○

*Now consider the service quality that you feel you **deliver to customers** at your branch with regards to **assurance**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Customers can **trust** me to assist them with their service request.	○	○	○	○	○
Customers can **feel safe** in the transactions I administer on their behalf.	○	○	○	○	○
I am **polite and courteous** to my customers.	○	○	○	○	○
I have **adequate knowledge** to answer my customers' questions.	○	○	○	○	○

Back Next

*Consider the service you **receive** at your branch from other internal departments with regards to **empathy**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our business is set up in such a way that my colleagues from internal departments can give me **individual (one-on-one) attention**.	○	○	○	○	○
When my colleagues from internal departments provide service to me, they **listen to my needs** and respond with personal attention.	○	○	○	○	○
When my colleagues from internal departments provide service to me, they **understand my specific needs**.	○	○	○	○	○
My colleagues from internal departments have **my best interests at heart** when delivering services to me.	○	○	○	○	○
My colleagues from internal departments have **operating hours convenient** to serve me.	○	○	○	○	○

*Now consider the service quality that you feel you **deliver to customers** at your branch with regards to **empathy**.*

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our branch is set up in such a way that customers may receive **individual (one-on-one) attention**.	○	○	○	○	○
When I service a customer, I **listen to their needs** and respond with personal attention.	○	○	○	○	○
When I service a customer, I **understand their specific needs**.	○	○	○	○	○
Our products/services have the **clients' best interest at heart**.	○	○	○	○	○
Our branch's **operating hours are convenient** for our customers.	○	○	○	○	○

Back Next

The following questions are designed to measure service climate at your branch.

Service Climate *refers to your perceptions concerning the practices, procedures, and kinds of behaviors that get rewarded and supported with respect to customer service and service quality at your branch.*

How would you rate:

	Very Poor	Poor	Neutral	Good	Very good
The job **knowledge and skills** of employees in your branch to deliver quality work and service?	○	○	○	○	○
The **efforts to measure and track the quality** of the work and service in your branch?	○	○	○	○	○
The **recognition and rewards** employees receive for the delivery of superior work and service?	○	○	○	○	○
The **overall quality of service** provided by your branch?	○	○	○	○	○
The **leadership shown by management** in your branch in supporting the service quality effort?	○	○	○	○	○
The **effectiveness of your branch's communications** efforts to employees?	○	○	○	○	○
The **effectiveness of your branch's communications** efforts to customers?	○	○	○	○	○
The **tools, technology, and other resources** provided to employees to support the delivery of superior quality work and service?	○	○	○	○	○

Back Next

The following questions are designed to measure front line employee satisfaction.

Front line employee satisfaction refers to your perception concerning your general emotional state resulting from the appraisal of your job or job experience

Please indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
I find **real enjoyment** in my job.	○	○	○	○	○
I like my job better than the average person.	○	○	○	○	○
I am **seldom bored** with my job.	○	○	○	○	○
I would **not consider** taking another kind of job.	○	○	○	○	○
Most days I am **enthusiastic** about my job.	○	○	○	○	○
I feel **fairly well satisfied** with my job.	○	○	○	○	○

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Please indicate your age group

- 18 – 25 years
- 26 – 35 years
- 36 – 45 years
- 46 – 55 years
- 56 – 65 years

Please indicate your gender

- Female
- Male

Please indicate your ethnic group

- African
- Coloured
- Indian
- White
- Prefer not to indicate

How long have you been employed at your current organisation?

- Less than 1 year
- More than 1 year but less than 3 years
- More than 3 years but less than 5 years
- More than 5 years but less than 10 years
- More than 10 years

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That completes the questionnaire. Thank you for your time.

If you enjoyed this activity, we would like to offer you an opportunity to regularly voice your opinion through our research community, ConsultaPanel.

- ( ) Yes, I would like to participate
- ( ) No, thank you!

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APPENDIX E:
PROOF OF LANGUAGE EDITING BY A LANGUAGE EDITOR

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Independent Skills Development Facilitator

Dear Mr de Villiers

This letter is to record that I have completed a language edit of your MCom dissertation entitled, "FRONTLINE EMPLOYEE SERVICE QUALITY: ANTECEDENTS TO ENHANCE EMPLOYEE SERVICE QUALITY IN A SOUTH AFRICAN RETAIL BANK".

The edit that I carried out included the following:

-Spelling
-Grammar
-Vocabulary
-Punctuation
-Pronoun matches
-Word usage
-Sentence structure
-Correct acronyms (matching your supplied list)
-Captions and labels for figures and tables
-Spot checking of 10 references

The edit that I carried out excluded the following:

-Content
-Correctness or truth of information (unless obvious)
-Correctness/spelling of specific technical terms and words (unless obvious)
-Correctness/spelling of unfamiliar names and proper nouns (unless obvious)
-Correctness of specific formulae or symbols, or illustrations.

Yours sincerely

Retha Burger

30 March 2020